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NEWS SUMMARY

GENERAL

Assad agrees summit talks

The Camp David peace accord was put under renewed pressure last night when Syrian President Assad agreed to attend the Arab summit proposed by Iraq for November 1. It will be Assad's first visit to Baghdad.

Syria's Foreign Minister said the trip had been agreed and all the leaders of the "steadfast front" would attend, including Palestine Liberation Organisation leader Yasser Arafat.

Rival factions have ruled Syria and Iraq for many years but a letter from Assad to Iraqi President Bakr proposed overcoming all our divergences to face together... the Zionist push in our area.

Derry clashes

Violent clashes in Londonderry left 27 policemen injured as riotous brawls at the end of a march to commemorate the ten years that has passed since Ulster's latest troubles began. Six people were arrested.

Health costs

A 12.6 per cent rise in National Health Service costs—to £58m by the end of the year—is predicted in a report from the Office of Health Economics. Page 3

Chess drama

The world chess championship, the Philippines took a dramatic turn when champion Anatoly Karpov resigned the 20th move, giving Viktor Korchnoi his second successive win. Karpov now leads 5-4, needing one win to retain the title.

Savonita verdict

The Director of Public Prosecutions has examined papers in the Savonita affair and is to take a further action. But Lloyd's is continuing its probe into how cars allegedly destroyed in fire aboard the Savonita—and declared an insurance loss—went on sale in Italy.

Judges accused

Sin Sprot, Tory MP for South Aberdeen, accused judges and magistrates of encouraging crime by handing out light sentences. "Too many of them had become out of touch with ordinary people, he said.

Conker hero

Les Treliving, a 62-year-old retiree from Peterborough, was world conker champion, head of 83 other competitors, including a U.S. Army sergeant, in the village green at Ashton, Northants.

Briefly...

Premier James Callaghan files to loan for talks about the proposed European monetary system. Page 3
Professor Eric Ashton of the Birmingham snailbox laboratory is regained consciousness after suspected drugs overdose.
Davis Cup tennis final later this year will be between Britain and the U.S. Page 8
Labour retained power in New South Wales with a 10 per cent swing.
Weekly £50,000 Premium Bond winner lives in Surrey. No. 15K 17800.
Lilles Villeneuve of Canada won the Canadian Grand Prix for Ferrari in Montreal.

BUSINESS

Shipyard work 'halved by 1981'

WORLD SHIPYARDS by 1980-81 will be working at less than half the level of output of the boom years of 1975-76, according to the latest forecast of the Association of West European Shipbuilders. Back Page

The projections will be considered, along with other forecasts from Japan and West Germany, by an OECD shipbuilding working party next month.

The crisis in the French shipbuilding industry has already led to 1,500 redundancies at one Mediterranean yard and a strike by 3,600 repairers in Marseilles. Page 2

NCB and the Central Electricity Generating Board have reached an agreement in principle for the subsidised sale of coal to power stations at a cost to the Government of about £25m.

The Coal Board welcomes the arrangement as a short-term solution to its problem of finding adequate markets for its coal. Back Page

STERLING'S strength in foreign exchange markets has been an important factor in holding down UK inflation. A September wholesale price index today is expected to show. Also published this week, the banking and financial statistics will give a pointer to the growth in money supply in the month to mid-September. Back Page

EL COMPONENTS is launching a campaign to secure new markets and new products. A delegation will go to Japan this month to try to break into the Far Eastern market, while research expenditure is to be doubled at the GKN technology centre at Wolverhampton. Back Page

INDIA is to buy the vertical take-off Harrier aircraft for its aircraft carrier the Vikramt, and an order for at least 20 Harriers and spares, worth £100m, is thought to be under consideration. This follows the £1.2bn contract announced last week to manufacture the Anglo-French Jaguar aircraft in India. Page 2

UK SALES of colour televisions are expected to reach 1.85m this year, against 1.6m last year. The largest increase in sales is expected to be for imported portable colour sets. Page 4

LABOUR

EL TOOLMAKERS' unofficial committee has decided to defer once more a call for industrial action by 3,000 toolroom men. Toolmakers' leaders will hold talks over differences within BL with leaders of 11,000 craft workers. Back Page

WESTLAND helicopter manual workers at Yeovil are expected to reject a shop stewards attempt to end the overtime ban imposed after the company brought in a new incentive scheme to boost productivity. Page 4

DAILY TELEGRAPH management and representatives of the National Graphical Association meet today to try to resolve the pay dispute which has stopped publication of the newspaper for four nights. Page 4

BBC has had to shelve plans to introduce an Electronic News Gathering facility into its television news service because of a refusal by broadcasting unions to discuss such an agreement. Back Page

LONDON traffic wardens are stepping up their industrial action because of union fears that some local authorities may bring in outside labour to clear blocked meters. Page 4

Rhodesia to end race discrimination promises Minister

BY TONY HAWKINS, Salisbury, Oct. 8

Rhodesia's transitional Government will this week announce the abolition of all racial discrimination. Mr. Ernest Bulle, the joint Minister of Finance, told a rally in Sinoia, north-eastern Rhodesia.

Mr. Bulle, who is a vice-president of Bishop Muzorewa's United African National Council, promised that the announcement would include the abolition of the Land Tenure Act and major structural changes in education and health.

Quite obviously, the announcement is being timed to coincide with the visit of the four leaders of the transitional government to the U.S.

Mr. Ian Smith, the Rhodesian Prime Minister, and the Rev. Silholo are already in the U.S. and Bishop Muzorewa and Chief Chirau are due to fly to Washington this week.

The transitional government has faced much criticism for its lethargic implementation of the March 3 internal settlement agreement, which provides for the removal of all racial discrimination.

Over the years, much discrimination, especially of the petty apartheid kind, has been gradually removed, but three major areas remain to be tackled—education, health and residential land.

The joint Minister of Health and Education, Mr. Rowan Cronje, also forecast an imminent announcement on the removal of discrimination, claiming that the transitional government had developed a "uniquely Rhodesian formula" that would allow white fears and satisfy black aspirations.

It is understood that the education and health issues will be tackled by using economics to replace race as a criterion. There will be three, or possibly four, tiers of schools and hospitals, providing differential services according to the individual's ability to pay.

The existing state-run white schools will become high fee-paying institutions, while black

—has already lost much of its significance. Early last year European farming land was declared non-racial, leaving only white urban areas and the tribal trust lands subject to the legislation.

In July the transitional Government declared commercial and industrial areas to be multi-racial, leaving residential areas as the last bastion of white-only ownership.

But in recent months this has been abolished in practice as the Government has turned a blind eye to blacks buying and moving into properties in white residential areas.

The removal of discrimination will have a profound impact on the white community. Many whites are more concerned about the future of the education system than anything else. If they believe that the non-racial formula to be announced this week will lead to an erosion of the extremely high educational standards enjoyed by white children, they may well decide to emigrate.

The decision to replace race by ability to pay as the criterion is apparently acceptable to the moderate nationalists in the transitional government, but observers here believe it will not be accepted by the Nkomo-Mugabe Patriotic Front, which see it as a vehicle for the retention of discrimination.

Smith attacks U.S. and UK

U.S. and British support for the "Marxist terrorists" in the Patriotic Front guerrilla movement was the main reason for the continued fighting in Rhodesia, Prime Minister Ian Smith told American television viewers yesterday, writes David Buchanan in Washington. Page 2

schools in urban areas will involve significantly lower fees. In rural areas, education will be provided at the lowest rate. A similar approach will be used for hospitals.

The land tenure issue is considerably less important. The Land Tenure Act—which originally divided the country roughly equally between 300,000 whites, coloureds (people of mixed blood), Asians and 65m blacks

Ministers to meet TUC on pay guidelines

BY RICHARD EVANS AND PHILIP BASSETT

THE FIRST stage in what could be a lengthy and painful process of financial restraint for the Government in single figures will be launched this week by senior Ministers and TUC leaders.

The success or failure of the negotiations could be crucial for the Labour Party's electoral future. Although there are signs of more flexibility, Ministers continue to insist that the 5 per cent pay guideline will remain the norm unless and until a more acceptable alternative is produced in the talks. They also discount the belief that sanctions will not be taken against companies that defy the guideline.

But confirming the problems that lie ahead, TUC leaders argued forcefully yesterday against the 5 per cent limit and implied that no agreement was likely unless Ministers were prepared to be a great deal more flexible than seems probable.

Initial talks, which Ministers fervently hope will eventually heal the breach that threatens to divide Labour's considerable electoral base, will take place at a Downing Street dinner tomorrow.

The main discussions will be launched a few days later between the six TUC representatives on Neddly and Mr. Denis Healey, Chancellor of the Exchequer, Mr. Roy Hattersley, Prices Secretary, Mr. Eric Varley, Industry Secretary and Mr. Albert Booth, Employment Secretary.

They will start after both sides have had the opportunity to discuss their attitudes—the TUC at its economic committee on Wednesday and the Ministers in Cabinet on Thursday. It is not yet clear if the first meeting will be at the end of this week or early next.

Flexibility is likely to be offered initially in the way the pay White Paper is interpreted by Whitehall, indicating the basis for a productivity element, and on more generous pay deals for the lower paid.

These could provide a useful face-saving formula but there remains every likelihood that the TUC will be insufficient to satisfy TUC leaders. The prospect remains of a lengthy series of negotiations with limited chances of a voluntary agreement and a winter of industrial unrest as negotiators seek to breach the pay norm.

Faced with this prospect, Treasury officials are already preparing for tougher fiscal and monetary measures, and Ministers continue to insist that these will be implemented if pay talks fail. It is impossible to hold inflation in single digit.

The TUC leaders taking part in the talks will be sympathetic to the Government's overtures, but bound by their congress vote against Phase Four and the resolutions of their own union conferences, are determined that any flexibility on pay rises will have to move a long way from the 5 per cent figure.

Mr. Len Murray, TUC general secretary, said yesterday: "I have never taken the view that we are on a collision course. But I don't believe the general council would be trying to make 5 per cent into 10 or 50 or 100, or anything of that nature."

Mr. Moss Evans, general secretary of the Transport and General Workers' Union, has led the union opposition to the 5 per cent and will be a decisive voice in the talks.

His 38,000 members at Ford enter the third week of their strike against the policy. The situation would be considerably eased by a mutually acceptable compromise between the Government and the unions.

British Oxygen is expected to put a complex pay and productivity offer to its 3,000 manual workers to-day. Mr. John Miller, TGWU national chemicals secretary, said he hoped the company and the unions could "come to an arrangement" to prevent a strike.

Eric Morley dismissed as chairman of Mecca

BY ADRIENNE GLEESON

A CLASH of personalities in the boardroom of Grand Metropolitan has led to the dismissal of Mr. Eric Morley, the chairman of Mecca in 1970, confirmed that there was to be a board meeting today. He said that a statement concerning the dismissal of Mr. Morley would be issued after it.

It is believed that a long-standing difference of temperament between Mr. Morley and Mr. Ernest Sharp, the second joint managing director of Grand Metropolitan has come to a head in the past week.

Mr. Sharp is the man to whom Mr. Morley has reported as chairman and chief executive of the Mecca entertainment group. The differences between the

two men appear to have increased with time and eventually produced an agreement on the Grand Metropolitan Board that the situation could be resolved only by Mr. Morley's departure.

It is believed that the Board wants the situation resolved with the minimum of publicity. The figure of £500,000 reportedly offered as a golden handshake to Mr. Morley if he would go quietly was said to be greatly exaggerated.

Mr. Sharp is expected to take over responsibility for Mecca after Mr. Morley's departure. Mecca has proved a successful acquisition for Grand Metropolitan, though the Miss World contest makes no profit.

New Bill to raise NEB's cash limit

By John Elliott, Industrial Editor

LEGISLATION to provide the National Enterprise Board with a firm statutory financial base for the next two or three years is to be introduced by the Government later this year.

A new Bill will raise the statutory limit of money available to the board from the present level of £1bn to between £1.5bn and £2bn.

The Government's decision to go ahead with this politically controversial measure will be announced in the Queen's Speech on November 1.

It is likely to provoke an outcry from the Conservative Party which wants to limit the board's activities. But Ministers believe that the Bill will gain sufficient support from minority parties—including the Scottish Nationalists and the Liberals—for it to be enacted fairly quickly.

The Bill is needed because the board has spent £270m since it was set up under the 1975 Industry Act. This Act laid down an initial limit of £700m, and a final ceiling of £1bn which was introduced by a Parliamentary Order earlier this year.

Although the £280m balance between the £270m so far spent and the £1bn limit would be sufficient to fund the board's general activities for some time, it may not be enough to carry it much beyond the middle of next year when the requirements of two of its major subsidiaries, BL, formerly British Leyland, and Rolls Royce have been met.

However, the precise amount of state cash that the board will be free to spend next year will not be known until the Government's public expenditure White Paper is published for 1978-79.

This is because the Bill will raise only the statutory limit of money that can be made available. It will not guarantee an annual rate of spending.

The annual amount envisaged in the last expenditure White Paper for the board was about £275m, and this will be assessed during the coming months as the board draws up both its own overall corporate plan and the individual plans for BL and Rolls-Royce.

Meanwhile, Ministers will decide soon what top statutory limit should be stipulated in their new Bill, which will contain only a few clauses. As well as raising the limit, it will make some detailed changes to the way the expenditure is assessed.

Schmidt left secure by Hesse poll

BY GUY HAWTIN

FRANKFURT, Oct. 8

HESSE'S Social Democratic will still be the largest single Liberal coalition Government, which has ruled West Germany's fifth largest "land" since 1970, absolute majority needed to unseat the SPD/FDP coalition. In today's State elections, it has secured the future of Chancellor Helmut Schmidt's Government, paired with its performance in 1974.

Counts tonight were showing the CDU with 48.1 per cent of the poll, the SPD with 44.1 per cent, and the FDP with 6.8 per cent—well ahead of the 5.4 per cent it gained in last year's local elections.

The so-called "Green" parties, running on the environmentalist ticket, have done rather worse than expected, with a mere 2.1 per cent of the total votes cast. This out-turn will give the CDU an unchanged 33 seats in the state Parliament in Wiesbaden; the SPD 50 seats—an increase of one; and the FDP 7 seats against their previous 8.

HOW HESSE VOTED 1966 TO 1977

	1966 State elections	1970 State elections	1974 State elections	1976 Federal elections	1977 Local elections
Social Democrats (SPD)	51.0	45.9	43.2	45.7	42.3
Christian Democrats (CDU)	26.4	39.7	47.3	44.8	47.9
Liberals (FDP)	10.4	10.1	8.4	8.5	5.4

Herr Hans Dietrich Genscher, the Federal Foreign Minister, has thrown himself so wholeheartedly into the campaign and pinned so much personal prestige to stemming the flow of votes away from the party that it was felt he could neither continue as Minister or party leader, had the party failed to scrape by in Hesse.

However, victory for the SPD/FDP coalition has left a cloud over the Christian Democratic Union (CDU), whose coalition at a federal level with its Bavarian sister party, the Christian Social Union (CSU), has been growing increasingly uneasy.

Herr Franz-Josef Strauss, the CSU's ebullient chief, has made it clear he will go ahead with plans to form a federal "fourth party." If the CDU failed to take Hesse.

The outcome of today's vote also appears to place in doubt the future of Dr. Alfred Dregger, the leader of Hesse's CDU. For Dr. Dregger, who sees eye-to-eye with Herr Strauss on most issues, victory in today's election would have given him a fair claim to lead the CDU to the next federal election. However, his image as a vote-catcher must now be tarnished.

First returns this evening, which are claimed to have only a 1 per cent margin of error indicated that, although the CDU

election provided the CDU with its best opportunity ever to capture the state Government. The Social Democrats have been demoralised and in disarray, while the FDP has been suffering from an inability to establish its image as an independent party. The feeling is that Dr. Dregger may well have gone too far in being a Right-wing drum in traditionally "red Hesse."

All the opinion polls showed in the run-up to the election that the two main parties were running almost neck-and-neck.

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HOME NEWS

Health service cost 'may go up 12.6%'

BY MAX WILKINSON

A 12.6 per cent rise in the cost of the National Health Service to £8bn by the end of 1978 is predicted in a report published today.

The report, from the Office for Health Economics, says that even when adjusted for the falling value of the pound, the health service now costs three times as much as when it was first established.

About 5.7 per cent of the Gross National Product is now devoted to the health service, an increase of 46 per cent on the proportion in 1949, the report says.

On the other hand it points out that the proportion of the UK's income spent on health care is much less than in West Europe and North America generally, where the average spending is more than 7 per cent of GNP.

In 1976, the latest year for which a breakdown of expenditure is given, the hospital NHS accounted for 63 per cent of NHS expenditure compared with 68.5 per cent the previous year. Pharmaceutical services absorbed 8.9 per cent of the total in 1976, compared with 8.4 per cent in 1975.

However, the report says that in spite of the small rise, the proportion of NHS total expenditure which goes to pharmaceuticals is still 20 per cent lower than it was in the previous decade.

The report says the rise in hospital service costs over the years has been strongly related to increases in manpower, which now accounts for three quarters of costs. It says: "Numbers of all categories of personnel have expanded, though the total of administrative and clerical staff has risen rather faster than average."

Of the £8bn spent on the hospital service in 1976, only 55 per cent went on the direct costs of treating patients (such as salaries for medical and nursing staff and expenditure on equipment and general services, such as laundry, accounted for 37 per cent and capital development took 8 per cent.

The Office of Health Economics was set up in 1962 by the Association of the British Pharmaceutical Industry. Its report shows that there were 25,000 family doctors in the UK in 1976, an increase of 47 per cent on the number in 1951. However, the expenditure on general medical services has declined in real terms and as a proportion of the whole.

Treasury projections show that spending on the health service is expected to grow by 2 per cent in the current financial year, but the growth will be cut to 1.9 per cent a year up to 1980-1981.

The report comments: "The level of investment outlined reveals that a substantial addition will be made to the net total of the capital programme. However, the projected allocation to this sector is still far lower than the investment level planned 10 years ago."

"To an extent, this reflects the claim of the recent health policy to put people before buildings. But there can be no doubt that in the long run, if medical care is to improve, more new buildings are necessary to replace many of the present ill-sited or under-equipped old ones."

Plans to increase tax on EEC milk production

BY RICHARD MOONEY

PLANS TO squeeze Common Market dairy farmers' profits by increasing the tax on each gallon of milk produced are being formulated in Brussels as part of a strategy for reducing the Community's massive dairy surplus.

Senior EEC officials favour an increase in the co-responsibility levy—a tax on dairy farmers—rather than a reduction in the intervention price, as a way of discouraging the continuation of surplus production.

He thought the imposition of a ceiling on production which would qualify for intervention buying would create too many political and philosophical problems to be feasible.

But Mr. O'Dwyer was positive that some special action would have to be taken to curb overproduction in the Common Market dairy industry. "The Commission's prudent price policy (which aims to keep annual price rises to a minimum) is not adequate," he said.

Writing in the latest economic review published by stockbrokers J. and A. Scrimgeour, Mr. Fomer, the Cambridge economist, says that little weight should be attached to the technical debate over the exact form of the planned links.

In particular, the different methods of conducting wage negotiations and the higher underlying trend of inflation in the UK leads him to fear that monetary integration will simply keep the pound overvalued until market pressures eventually overcome the resistance of the authorities.

THE PROPOSALS for closer European currency links represent "a threat to the UK's interests, and indeed a threat to the international system," it is argued today by Mr. Michael Posner.

Some of the strategy's sector working parties have set import substitution targets. For example, the office machinery working party aim is to reduce the share of the UK home market met by imports from the present figure of 70-80 per cent to 65 per cent by 1980.

Callaghan for Bonn talks

MR. CALLAGHAN flies to Bonn next week for the first of a series of autumn summit meetings which could decide Britain's future within the Common Market.

In two days of discussions with Herr Helmut Schmidt, West German Chancellor, Mr. Callaghan is expected to indicate Britain's readiness to join the proposed European Monetary System next January.

Then, a month or so later, he will have talks in Paris with President Giscard d'Estaing at the recent party conference.

Guidance for housing groups

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NEW GUIDANCE on the finances of housing associations, operation of Britain's housing associations has been issued by the Housing Corporation, which promotes, finances and supervises their activities.

The move comes within days of an announcement by the influential Public Accounts Committee of MPs that it is making further inquiries into the public money.

Silkin may act over 'insult'

BY CHRISTOPHER PARKES

MR. FINN GUNDELACH, the Common Market's vice-president, dissociated himself at the weekend from the remarks made by a senior EEC civil servant about the British stance on negotiations for a Community fisheries policy.

But Mr. John Silkin, the British Minister who claims that he was personally insulted by Mr. Eamonn Gallagher, the Irish director-general in charge of fisheries in the Commission, may yet seek further action.

Ministry officials said yesterday that Mr. Silkin was considering his position after receiving a reply from Mr. Gundelach to his cable complaint.

Britain is worried that a man with such openly declared anti-British views should hold a key position in the EEC bureaucracy.

Mr. Gallagher is in charge of drafting Commission policy on fisheries.

In his reply, however, Mr. Gundelach claimed that Mr. Gallagher's comments had been "reproduced in an excessive way" in the Press. However, neither he nor the Commission associated itself with Mr. Gallagher's remarks, he added.

Mr. Gallagher told an invited group of British journalists in Brussels last week that the Commission's legal staff was already preparing a legal action for the European Court of Justice over some of Britain's recent unilateral measures taken to protect fish stocks.

Mr. Gallagher described Britain's controls as "anti-conservationist, unnecessary and provocative."

Of Mr. Silkin, the director-general said: "He has a political interest to see that the Common Fisheries Policy does not work."

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Row over import controls re-opens

By John Elliott, Industrial Editor

THE ROW between the Government and the trade unions over the issue of import controls will be re-opened this morning at a meeting of the National Economic Development Council.

Union leaders are likely to repeat their demand for import controls after they hear from Mr. Edmund Dell, Secretary for Trade, that imports of finished manufactured goods more than doubled between 1970 and 1977.

But the meeting will be told in a paper from Mr. Geoffrey Chandler, the new director-general of the National Economic Development Office, that general restraint on imports is not the right way to increase the market share of UK-made goods.

Attending his second council meeting since he became director-general in mid-summer, Mr. Chandler will argue that import controls would provoke retaliation from other countries.

Instead, Britain should try to increase its own competitiveness through various methods being tried within the industrial strategy.

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He won't take orders. He'll sell. Which is why he's in the job in the first place.

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U.S. nuclear waste to be tested in Dounreay reactor

BY DAVID FISLOCK, SCIENCE EDITOR

BRITAIN AND the U.S. are to collaborate in experiments in purified waste, chemically treated to yield oxides of some more troublesome ingredients of radioactive nuclear waste.

The UK has agreed to place capsules of intensely radioactive nuclear waste, prepared in a U.S. government laboratory, in its prototype fast reactor at Dounreay.

The scientists hope that in this way they can demonstrate claims that the fast-breeder type of reactor will be an effective way of "incinerating" the more intractable wastes.

No facility comparable with the British reactor exists at present in the U.S., where radioactive wastes might be exposed to intense neutron bombardment for long periods.

If successful, this use of an advanced type of reactor as an incinerator could solve numerous long-term problems of nuclear waste technology," says Mr. Cliff Bloomfield, director of the UK Atomic Energy Authority's Dounreay research centre.

Mr. Bloomfield is awaiting formal approval from the U.S. Department of Energy, whose research centre at Oak Ridge will fabricate the capsules of solidified high-level wastes.

The outcome of these experiments also have an important bearing on another Anglo-American idea, the Civer concept for safeguarding fast-reactor fuel against any illegal diversion into nuclear weapons.

The Civer idea, disclosed earlier this year, is to leave enough of the more deadly ingredients of spent nuclear fuel in the refined plutonium that will be returned to the reactor, to ensure that anyone interfering with the new fuel would receive a dose of radiation intense enough to kill within hours.

One point about Civer on which nuclear engineers would wish to be assured is that such deadly impurities in their fuel would not upset the performance of their reactors.

Dounreay has already begun to study the problems of a manufacturing line for select fuels.

Callaghan for Bonn talks

MR. CALLAGHAN flies to Bonn next week for the first of a series of autumn summit meetings which could decide Britain's future within the Common Market.

In two days of discussions with Herr Helmut Schmidt, West German Chancellor, Mr. Callaghan is expected to indicate Britain's readiness to join the proposed European Monetary System next January.

Then, a month or so later, he will have talks in Paris with President Giscard d'Estaing at the recent party conference.

Guidance for housing groups

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NEW GUIDANCE on the finances of housing associations, operation of Britain's housing associations has been issued by the Housing Corporation, which promotes, finances and supervises their activities.

The move comes within days of an announcement by the influential Public Accounts Committee of MPs that it is making further inquiries into the public money.

Why employ a representative when you can employ a salesman.

delivery service lets him down so the order goes to a competitor.

Put him in the unenviable position of having to phone his customers to apologise for late deliveries again.

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Against this of course, you'll have to weigh the fact that Mercedes-Benz aren't the cheapest to put on the road.

But in the long term, they can certainly work out to be the most cost effective.

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A representative is a man who takes orders. A salesman sells. It's easy to turn a salesman into a rep. All you have to do is give him lousy back-up. Make sure, that after he's sweated blood making a sale your

delivery service lets him down so the order goes to a competitor. Put him in the unenviable position of having to phone his customers to apologise for late deliveries again. Remember, you're paying for results not effort. And for as long as your vans and trucks let him down, you'll be getting very little effort and even less results. You can change this situation by investing in Mercedes-Benz vehicles. They're reliable, economical and durable. They're designed to be hammered and hammered hard. Bluntly, they don't let you down. Against this of course, you'll have to weigh the fact that Mercedes-Benz aren't the cheapest to put on the road. But in the long term, they can certainly work out to be the most cost effective. In simple terms of fuel economies alone, Mercedes-Benz trucks and vans can give considerable savings. Consider too the fact that because of their reliability Mercedes-Benz vehicles will spend less time off the road and more time carrying out deliveries. For your salesman that means a back-up he can rely on. It means that he'll put in a bit more effort on your behalf. He'll make sales because he'll know that you're giving him the best support. He won't take orders. He'll sell. Which is why he's in the job in the first place. Find out more about Mercedes-Benz commercial vehicles. Get your secretary to attach this advertisement to your letterhead and we'll be in touch. Mercedes-Benz. The way every truck should be built.



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The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

Better times ahead for personnel managers?

A FAMILIAR complaint from the harassed manager concerns the profusion of legislation to emerge during the 1970s which affected terms and conditions of employment. Bearing the brunt of the responsibility to understand and explain these laws has been the personnel manager—whose status within many companies may have been a consequence.

So it is interesting to observe a note of cautious optimism as to the prospects of further legislation. It comes in the preface to the recently published third edition of *A Textbook of Personnel Management*, by George F. Thomason, Professor of Industrial Relations at University College, Cardiff.

Whilst it would be a rash seer who would predict an era of stability in personnel management and industrial relations, it is distinctly possible that most of the foundations in law and central government policy are now laid for a reasonable period.

There is more harmonisation with European practices to come and that will mean more change, but there remains the need to increase productivity in British industry. But it is now possible to develop a rather longer term perspective on objectives and policies in these fields.

The third edition of this eighty-one, 584 pages, has been revised and re-ordered to reflect the new divisions in the Institute of Personnel Management exams. The book covers a considerable area of ground and provides extensive references for further reading. Although primarily for the student of personnel management, it would clearly be useful to a wider audience as a basic work of reference within a company.

The four main areas which it covers are: employment and placement; employee motivation, performance and development; problems of authority in modern organisations; and the methods and techniques of intervention in organisations; and industrial relations.

A Textbook of Personnel Management by George F. Thomason, published by the Institute of Personnel Management, Price 10 hardback, £7.50 paperback.

Vinning name

AST Monday's article on the award-winning design of P.A. International's Personnel Centre omitted to include the name of the architect responsible; they were Iano and Rogers, 3 Avon Estate, Wymore Road, London, W14.

James Tye explains how safety regulations which came into force this month will have a profound effect on managers throughout industry.

Beware! Safety watchdogs with fearsome bark



"I think the unions are working on the 'safety in numbers' theory"

Tougher

The construction of a unionised "watchdog" apparatus at the workplace—the situation at non-unionised workplaces has been left to voluntary arrangement—makes it far more likely that companies will now have to carry out the letter of the law, or pay the penalty. Under the 1974 Act, directors have been liable to personal prosecution, fines and even imprisonment for failing to keep their workplaces and their employees in safe and healthy order.

The new regulations are supported by an approved Code of Practice and Guidance Notes, both of which are advisory rather than mandatory, but woe betide the manager in default: in the event of prosecution he must show that the relevant provisions of the Code have been followed or that he has complied with the law in some other way. If an accident occurs after a director has failed to accept safety representatives' recommendations he could well find himself facing personal prosecution.

This will add yet one more

item to the ever-widening range of legislation for which top management and directors have to shoulder legal liability, in practice as well as theory: not only their corporate liability to heavy fines under the Employment Protection Act and the new Consumer Safety Act, but also personal liability under the newly-reinforced Health and Safety at Work Act.

The new regulations put unionised safety reps into a position to make recommendations to management about the health and safety of working conditions, and require management to take notice. If an employer contests that the suggested action is not appropriate or that it cannot be taken, then the Guidance Notes suggest that written reasons should be given to the safety representative or representatives. A union may appoint as many safety reps as it sees fit, consideration being given to the number of hazards present, the degree of risk, and the number of employees involved.

Significantly, under the new regulations, safety reps are not in any way legally responsible for health and safety at work and cannot be held liable under criminal or civil law for anything that they might do or omit to do while acting in their capacity as safety rep.

The Health and Safety Executive is anxious to point out that the object of the Regulations is to develop consultation in health and safety at work. Any dispute over the implementation of these new regulations should be referred to the normal industrial relations machinery of the workplace, the Code recommends.

The essence of the new regulations is precisely that directors will no longer be able, much less afford, to closet themselves in boardrooms and leave inadequately trained first line managers to handle the inevitable onslaught by safety reps. The new safety laws will effectively mean that the buck does not stop until it reaches

the director named in the firm's safety policy. Even those directors who can point proudly to the fact that their firm has had not only union safety representatives but also safety committees for several years, would be unwise to assume that the new situation holds no terrors for them. The powers under law supplied to the new safety reps will quite radically alter the scope, strength and impact of their safety recommendations. It is not surprising that Bill Simpson, Chairman of the Health and Safety Commission, has described the new regulations as "essential to the full and effective implementation of the Health and Safety at Work Act."

The Trades Union Council has certainly not been slow to realise the implications of the new legislation, and has put nearly 100,000 safety reps through an intensive health and occupational safety training scheme. By contrast, the whole of British industry—and this includes banks, shops and offices

as well as factories and plants—has no more than 1,500 men trained to Diploma Safety Management level—that which the British Safety Council and 300 Members of Parliament see as a minimum requirement for any safety officer.

What, then, are the rights of the safety representative and safety committee? One of the safety rep's statutory functions is to inspect and re-inspect the workplace at least every three months. Management must supply such facilities and assistance as the safety reps may reasonably require, a definition which has to be negotiated at the workplace. If the job of inspection is thought to require the use of noise meters, detector tubes, dust level samplers and the like then management will have to negotiate what is reasonable for it to supply.

The banking profession—not one that you might immediately associate with industrial safety issues—has already run into problems with the installation of expensive visual display

units, which could harm the eyes, if used over excessively long periods of time, or if the machines are badly sited. The big five banks, employing some 250,000 people in Britain, could see the introduction of as many as 12,000-15,000 union safety reps. The safety of visual display units, which are being used increasingly in most banks, could well become an issue, and correction of the faults by fitting non-reflective screens could run into literally millions of pounds.

Meanwhile, senior managers in manufacturing industry could be faced with having to carry the weight of responsibility for the shutdown of entire production systems because of failure to meet adequate safety standards.

The safety rep will be licensed to investigate potential hazards and complaints by employees, dangerous occurrences and the scene of accidents, and make representations to management arising out of such investigations. He must also be privy to those

management documents which are required by the laws relating to health and safety in the workplace, and he will also be the normal recipient of particulars of prohibition and improvement notices from the Health and Safety Executive. The employer is required to allow safety reps time off for training, with pay.

If at least two safety reps request the setting up of a safety committee then the employer is required to do this. He must consult with the reps and the recognised trade unions of the workplace and, in a place where it can be easily read by the workforce, post a notice stating the composition of the committee and the workplaces.

Another section of the safety rep's mandate is to make representations to the employer on general matters affecting health, safety or welfare. This could be construed to mean almost anything, and with the backing of the Trade Union movement, representatives could well turn safety issues into political ones if management fails to respond. As Bill Simpson warns, "If management says there will be no disputes—it's rubbish."

So it appears that when Harold Walker, Minister of Employment, recently described the appointment of workers' safety representatives as a powerful influence for reform in safety performance in industry, he was almost guilty of understatement.

Vital aid

The vulnerability of top managers lies in the fact that too few have bothered adequately to train safety officers to a high standard, while too many have been content to pay lip service to safety by channelling responsibility down to front line managers. Few sections of industry have grasped the nettle at board level—the majority have been indifferent or simply ill-advised on safety, which has always been a largely moral obligation.

Harold Walker summed up the employer's obligation when he stated that: "...the health and safety function is so important, so demanding of expertise, experience and specialist knowledge, that increasingly it must be an exclusive function within management. Equally,

there must be explicit responsibility for health and safety at the highest level within the company.

In defence of management, it has been argued that the regulations about safety representatives and committees are just one more piece of legislation that unfairly adds to the pressure on managers, making their job—to manage—that much more difficult.

Yet, if they only knew it, this one piece of legislation could be the most vital aid in increasing productivity and arresting unnecessary losses. Reportable industrial accidents cost the nation as a whole in excess of £1bn a year and chop 24m man days off our productivity. If all accidents, including those to property, are included, the sum soars to an astronomical £48bn.

Information and measurement are the keys to accident prevention, and the work of the safety representative could be a veritable information treasure chest, enabling management accurately to pinpoint priorities and plan programmes to make companies more efficient. The safest companies in the world—the Duponts and Monsantos—are also the most profitable.

Reacting to the top management complaint about being flooded by excessive information, advice and legislation, the British Safety Council has responded by setting up a special service called Senior Executive Briefings. The aim of the division is to select from the plethora of information on safety, vital factors of new legislation and fresh techniques, and then inform top managers of what they need to know. New safety representative legislation is a prime example of this category of information. It is also essential that directors ensure that safety officers responsible for carrying out day-to-day safety management are fully trained and equipped to apply the latest techniques.

Top management is now faced with an inevitable choice: it can either close its eyes and hope that the challenge will die out—and suffer the consequences—or it can welcome the new safety situation as a means of reducing losses, increasing efficiency and establishing better liaison, understanding and co-operation between all levels of the company.

James Tye is Director-General of the British Safety Council. The Council has compiled a questionnaire to help measure the competence of companies' safety officers. Address: National Safety Centre, Chancellor's Road, London, W6 9RS. Tel. 01-741 1231.

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your local Yellow Pages. Or any Travel Centre. When you've finished with the car, leave it at any Rail Drive station.

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Building and Civil Engineering

£15m start on new town in Iran

CONSULTING engineers, Haiste and Partners, are preparing the infrastructure design and will be managing the construction of the £15m first phase of a proposed new town, Jarrahi, near Bandar Shapur in Iran.

Working in association with Hovarnah, Haiste teams in Leeds and Tehran are preparing landscaping and flood protection projects for the area, roads, water, sewerage electrical and telephone systems and construction of 500 houses, schools and community services.

Work on hospitals worth £5m

TWO PRIVATE hospitals for American Medical (Europe) at Harrow and at Windsor, and extensions to St. Mary's, Paddington, London, will add to Holland, Hadden and Cubitts' extensive experience in hospital building.

At Harrow, following an earlier contract for groundwork and foundations, the clinic in Sudbury Hill, when completed in about 18 months at a cost of approximately £3m, will have a 99-bed facility.

establishing a 58-bed hospital in Osborne Road, Windsor, where the £1m-plus contract calls for altering existing buildings formerly intended as residential accommodation.

Architects for both projects are R. Selfert and Partners, quantity surveyors Widdell and Trollope, and consulting engineers Fell Frischmann and Partners.

The third hospital contract for which Holland, Hadden and Cubitts Construction (London) has successfully tendered will provide a communications tower for St. Mary's Hospital, Paddington. Financed by the Special Trustees of St. Mary's under the Kensington and Chelsea and Westminster Area Health Authority (Teaching), Cubitts' contract is valued at £474,000.

Laing busy in the North

A £2.6m contract to fit out a new store in the Arndale Centre, Manchester for British Home Stores is among the largest of the latest awards to John Laing Construction.

The store with a Market Street, High Street and Mall frontage, will have a 43,000 sq ft floor area on two levels and a self-service restaurant for 480 people at a third level.

Another fitting-out contract, also in Manchester, is for Fluor (Great Britain) which is moving into a 15-storey office block in Chester Road, Old Trafford. The £1m order covers up-grading of the air conditioning and system, electrical installations, acoustic ceilings and partitions.

For London Transport Executive Laing is to build a bus garage at Thamesmead on the site of the former Woolwich Arsenal. Work on the £3m contract started last Friday.

The contract is for a single-storey 6,655 square metre building, a ground and two-storey operating and engineering block with a total floor area of 4,400 square metres and an external parking area of 3,310 square metres, together with access road, landscaping and drainage.

In Leeds, Laing is to build a five-storey office block for Leeds Permanent Building Society at a cost of £1m. The building will be in Upper Fountain Street adjoining Permanent House and adjacent to Albion House, the administrative centre, to which it will be linked by means of an elevated walkway.

Further north, in Carlisle, Laing has begun work on a £800,000 contract to demolish and rebuild showrooms and workshops for County Garage. This is part of a £1m modernisation programme and Laing has already completed construction of a 10,000 sq ft building for the preparation of new cars.

Still further north at Applecross, Ross-shire, Laing has started work on a jetty and two single-storey buildings to house a computer complex, offices and plant. The work is being carried out for the Property Services Agency and is due for completion by April 1980.

Trust at a cost of £948,482, while the London Borough of Hackney is to construct an observation and assessment centre, a secure block, staff houses and flats at a cost of £682,177.

A third contract is at Elm Lea, Wiltonbury Lane, London, N17, where the company is to erect an industrial and a warehouse unit for Dinsdale Developments (South East). Value of this is £230,000.

Drill rigs ordered

DRILLING EQUIPMENT worth £250,000 is to be supplied to the Herat Livestock Corporation of Afghanistan, by Duke and Ockenden.

The order is for two trailer-mounted Dando 800 drilling rigs with compressors and ancillary equipment. Delivery will be made by the end of this year. The Dando 800 can drill to a depth of 465 metres.

The rigs will be used to drill water bore holes in the Herat Valley in Afghanistan. This is part of an irrigation scheme, sponsored by the World Bank, to provide a chain of oases for and 32 flats for the Guinness nomadic herdsmen.

Three jobs for Lovell

THE LOVELL Construction Group has been awarded contracts totalling nearly £3m. At Brighton Hill, Basingstoke, Hants, it is to erect 56 houses and 32 flats for the Guinness nomadic herdsmen.

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Lining and shoring trenches

THE GERMAN manufactured Krings modular trench lining and shoring system is to be marketed in the UK by the Building Equipment Division of SGB.

The Krings system, which enables excavation, shoring and lining operations to be carried out simultaneously, comprises of steel lining plates connected horizontally by adjustable spindles.

The modules are lowered into a trench as it is being excavated, enabling high rates of lining to be achieved by a single excavator and one labourer with a high degree of safety.

SGB plans to supply the system for hire from its 70 depots or for sale from 133 Copland Road, Ibrox, Glasgow.

Genstar buys \$91m San Diego site

IN A major development project move, the Genstar subsidiary of Societe Generale de Belgique, has acquired for \$91m land totalling 8,600 acres in the neighbourhood of San Diego, California.

It is co-operating in this project with the Penasquitos company and the area taken over for the development consists of residential and industrial buildings.

A very large number of dwellings will be built and it is proposed to sell off some of the land to local residential developers.

The decision to take up this project was made because of the remarkable growth of the San Diego area where demand for land is anticipated over the next five to seven years.

Genstar has arranged with a Canadian bank for the issue of preference shares to a total of \$100m. These will carry variable interest and will be bought by the bank.

Waters in which the water is forced through a semi-permeable membrane which bars the salt content.

Design is based on the results of two pilot plants which have been operating for 14 years. One of 16,000 litres/day within the

between Sandwich Bay and T and one of the main tasks: be the construction of a bank of colliery shafts selected from the Betsworth colliery tip nearby.

for the Southern W. Authority.

IN BRIEF

Three contracts, together worth £700,000 have been won by West Group International Companies: West's Civil Engineering (£500,000) for foundations at Seal Sands, Teesside the Tees Storage Co.; W. Piling (£135,000) for foundations for Llewellyn Homes in W. with, London, and (£175,000) for foundation piling to a job development at Clays Lane, St. Paul, London E.15.

Alexander Hall and (Builders), Aberdeen Coast Group, has been awarded a contract by Inverness District Council, for 50 terraced semi-detached bungalows, at Hammond and Channay, to supply two passenger studios now under construction at Doha, Qatar.

CEMENTATION Construction is just starting work on a £580,000 contract to strengthen part of the Kent coast sea defences. The area of operations is between Doha, Qatar.

PIPELINE gets a cover-up

PROTECTION OF A 2 km stretch of the Ekefak to Tasside oil pipeline is being undertaken under a contract awarded to Westminster Dredging Company in joint venture with Stolt-Nielsen Seaway.

Placed by Gasunie Engineering, consulting engineers, on behalf of Phillips Petroleum Company, the contract requires the accurate positioning of 2.4 inch limestone rock to provide a 1 metre protective cover. The section of pipeline concerned is about three miles offshore, and at a depth of 30 metres.

A two-screw split hopper vessel, with bow thrust called the Korazee is being used and it is manoeuvred with the aid of a sophisticated electronic position fixing system. She has a carrying capacity of 1,200 tons.

The limestone is being supplied by Ticon-Thilling Construction Services.

£1½m work to Roberts

A. ROBERTS (BUILDING) has been awarded three contracts. One at Adlestree, Surrey, worth £310,000 is for the building of 40 flats with associated works for Crest Homes. This is due for completion by July, 1979.

North Gower Street and Euston Street, London, NW, are the locations for a £320,000 contract for the Chancellor Masters and Scholars of the University of Cambridge. The work involves demolition of 174-178, North Gower Street and the construction of a new commercial and residential building and the refurbishing of first and second floors of 94-100, Euston Street, to be completed by the end of 1979.

Escotts Oak, East Grinstead, Sussex, is the site for the third contract. This is for the construction of 65 dwellings, for Barratt Developments (London). Value of this is about £700,000. Work is about to start.

Manchester Airport improvement

Wimpey Asphalt has won a £19.3m contract from the Manchester International Airport authority for improvements at Ringway.

Work is expected to start in January and will involve the laying of 220,000 tonnes of asphalt. The project also includes the construction of a new concrete fast turn-off, widening of runway and the installation of a new runway lighting system.

CONTRACTS AND TENDERS

Argentine Republic Ministry of Economy

HIDRONOR Hidroeléctrica Patagónica Sociedad Anónima Alicopa Complex Alicura Hydroelectric Project Contract No. 533 - Civil Engineering Works Prequalification of Contractors

In order to select Contractors from whom national and international tenders will be called to construct the main civil engineering works for the above contract, HIDRONOR S.A. will receive and analyse the qualifications and references from those firms and consortia of firms from member countries of Interamerican Development Bank (IDB) that have adequate technical and financial capacity and wish to take part in the call of tenders.

HIDRONOR S.A. has started negotiations with Interamerican Development Bank in order to obtain the necessary loans to finance the works and it will take into account the rules of such entity, when carrying out the prequalification and call of tenders.

The procedure of submitting these details is set out in a prequalification document which may be obtained from HIDRONOR S.A., Av. Leandro N. Alem 1074, 1001 Buenos Aires, Argentina, Republic, and at the main offices of Electrowatt Engineering Services Ltd., P.O. Box 8022 Zurich, Bellevuestrasse, 36, Switzerland, and SWECO A.B., P.O. Box 5038 - 2, Lindegatan, S-102 41 Stockholm 5, Sweden, from October 9, 1978.

The envelopes containing the qualifications and references of the firms or consortia concerned must be submitted to Leandro N. Alem 1074, 3rd Floor, 1001 Buenos Aires, Argentina, Republic, before 5 p.m., November 30, 1978.

The contract includes the following works:

a) Construction of an earth fill dam, approximately 115 m high and 880 m long at crest, on the Lintay River.

b) A 750 MW powerhouse.

c) A spillway of an approximate capacity of 3000 cu. metres per second.

d) Two tunnels for river diversion of about 8 m diameter and 780 m long.

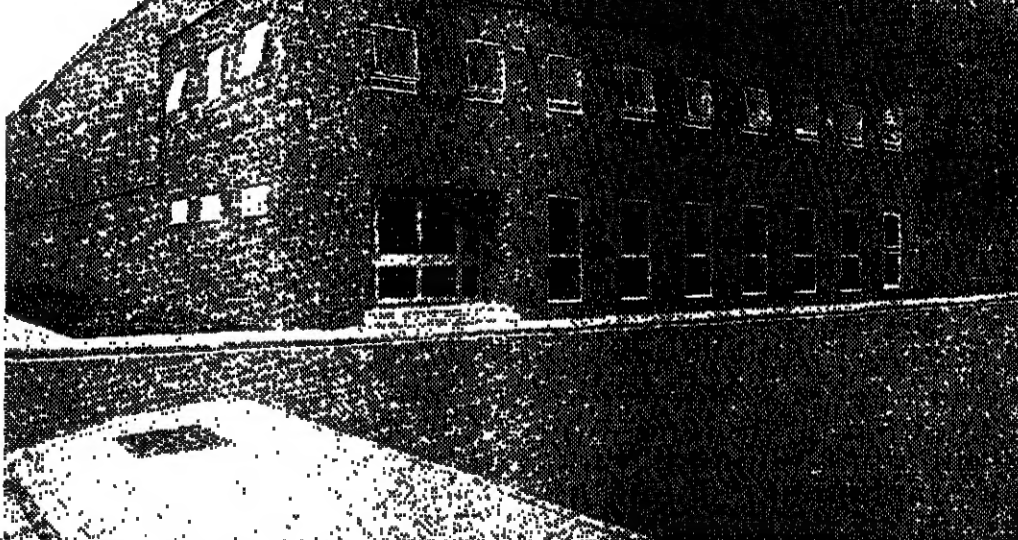
e) A discharge canal, downstream the powerhouse, of approximately 110 m wide and 8 km long.

f) Auxiliary works.

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Pure water for brewery

ADVANCED WATER purification technology in plant provided by the Krupp organisation is coming to the rescue of a large brewery in Bremen which has found over the past few years that the spring water it has been using for a considerable time to clean beer bottles was being increasingly contaminated with salt water due to the proximity of the Weser.

By the end of the year, Brauerel Beck and Co. will be operating one of the largest desalination plants so far built in Germany, with a daily output of 840,000 litres.

The technology used is reverse osmosis in which the water is forced through a semi-permeable membrane which bars the salt content.

Design is based on the results of two pilot plants which have been operating for 14 years. One of 16,000 litres/day within the

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PIPELINE gets a cover-up

PROTECTION OF A 2 km stretch of the Ekefak to Tasside oil pipeline is being undertaken under a contract awarded to Westminster Dredging Company in joint venture with Stolt-Nielsen Seaway.

Placed by Gasunie Engineering, consulting engineers, on behalf of Phillips Petroleum Company, the contract requires the accurate positioning of 2.4 inch limestone rock to provide a 1 metre protective cover. The section of pipeline concerned is about three miles offshore, and at a depth of 30 metres.

A two-screw split hopper vessel, with bow thrust called the Korazee is being used and it is manoeuvred with the aid of a sophisticated electronic position fixing system. She has a carrying capacity of 1,200 tons.

The limestone is being supplied by Ticon-Thilling Construction Services.

£1½m work to Roberts

A. ROBERTS (BUILDING) has been awarded three contracts. One at Adlestree, Surrey, worth £310,000 is for the building of 40 flats with associated works for Crest Homes. This is due for completion by July, 1979.

North Gower Street and Euston Street, London, NW, are the locations for a £320,000 contract for the Chancellor Masters and Scholars of the University of Cambridge. The work involves demolition of 174-178, North Gower Street and the construction of a new commercial and residential building and the refurbishing of first and second floors of 94-100, Euston Street, to be completed by the end of 1979.

Escotts Oak, East Grinstead, Sussex, is the site for the third contract. This is for the construction of 65 dwellings, for Barratt Developments (London). Value of this is about £700,000. Work is about to start.

Manchester Airport improvement

Wimpey Asphalt has won a £19.3m contract from the Manchester International Airport authority for improvements at Ringway.

Work is expected to start in January and will involve the laying of 220,000 tonnes of asphalt. The project also includes the construction of a new concrete fast turn-off, widening of runway and the installation of a new runway lighting system.

CONTRACTS AND TENDERS

Argentine Republic Ministry of Economy

HIDRONOR Hidroeléctrica Patagónica Sociedad Anónima Alicopa Complex Alicura Hydroelectric Project Contract No. 533 - Civil Engineering Works Prequalification of Contractors

In order to select Contractors from whom national and international tenders will be called to construct the main civil engineering works for the above contract, HIDRONOR S.A. will receive and analyse the qualifications and references from those firms and consortia of firms from member countries of Interamerican Development Bank (IDB) that have adequate technical and financial capacity and wish to take part in the call of tenders.

HIDRONOR S.A. has started negotiations with Interamerican Development Bank in order to obtain the necessary loans to finance the works and it will take into account the rules of such entity, when carrying out the prequalification and call of tenders.

The procedure of submitting these details is set out in a prequalification document which may be obtained from HIDRONOR S.A., Av. Leandro N. Alem 1074, 1001 Buenos Aires, Argentina, Republic, and at the main offices of Electrowatt Engineering Services Ltd., P.O. Box 8022 Zurich, Bellevuestrasse, 36, Switzerland, and SWECO A.B., P.O. Box 5038 - 2, Lindegatan, S-102 41 Stockholm 5, Sweden, from October 9, 1978.

The envelopes containing the qualifications and references of the firms or consortia concerned must be submitted to Leandro N. Alem 1074, 3rd Floor, 1001 Buenos Aires, Argentina, Republic, before 5 p.m., November 30, 1978.

The contract includes the following works:

a) Construction of an earth fill dam, approximately 115 m high and 880 m long at crest, on the Lintay River.

b) A 750 MW powerhouse.

c) A spillway of an approximate capacity of 3000 cu. metres per second.

d) Two tunnels for river diversion of about 8 m diameter and 780 m long.

e) A discharge canal, downstream the powerhouse, of approximately 110 m wide and 8 km long.

f) Auxiliary works.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMPUTERS

SOS will speed the work

IN ITS latest offerings to the commercial computer market Hewlett Packard has made extensive use of silicon-on-sapphire (soss) integrated circuit technology mainly on the basis of three to four times as fast as NMOS and consumes less power.

One of the machines, the HP 300, is about the size of a three-drawer filing cabinet. It consists of a 10 x 5 inch display at the top combined with a flexible disc drive; under this unit is a keyboard desk and, below, a base cabinet containing main storage and on-line disc storage.

DEC's new dual floppy

DIGITAL Equipment Company has announced its first dual-density floppy disc. The sub-system, the RX02, accepts either industry-standard, single-density discs, or one-sided, double-density floppies with twice the linear density of standard diskettes.

For use with PDP-8 and PDP-11 minicomputers (including the LS-11 microcomputer), the RX02 is identical in rack size to DEC's previous floppy disc sub-system, the RX01. Each has a maximum capacity of 500,000 bytes.

Real-time language

CORAL 68 for the IBM 370 series is the latest addition to the growing list of compilers from Systems Designers.

As well as producing a resident compiler for the 370, Systems Designers has available cross-compilers to most other machines. The new compiler will run under the OS operating system and all versions will produce assembler code. An "Official Definition" MASCO (Modular Approach to System Construction and Test) System will be available to users of the CORAL compiler.

HANDLING

High lift for skips

DESIGNED TO give extra reach and versatility is a large capacity skip or container loader with double-jointed arms, which is to be introduced at the Motor Show in Birmingham (October 9-29) by Edbra, Lever Street, Bolton, Lancs BL3 8DJ (0204 58881).

Known as the Tip-a-Lift, it has swing-over side booms with an extra pair of lifting levers in their ends. This is said to give a double-jointed facility for lifting higher than usual, or it can be employed to lift from a lower level than that on which the vehicle stands.

For tipping when high off the ground, the rear bottom edge of the container is restrained so that the contents can be tipped over a wall, or into another vehicle such as a rail truck. The loaders can handle loads from 12 to 24 tonnes according to the length of the container.

The company has extended its range of tipper-truck equipment by the addition of a small light-weight front-end model for short vehicles in the two to five tonnes gross weight band. Called the ME20, it weighs only 16 kg and is supplied to body-builders as a ready-to-fit kit.

Automatic lifting in containers

FOLLOWING THE interest shown in hand operated gantry cranes for use in ISO containers, says Anglia Handling Services, the company has proceeded with the development of a powered version which incorporates a specially adapted 24 volt dc winch.

The crane is of the underslung type which allows storage to within less than 20 inches of the container roof. The gantry rails and crane beams are made from

INSTRUMENTS

Gauges tall components

INTRODUCED by Herbert Sigma is a height gauge with 16mm LED digital display able to make measurements on components up to six inches (150 mm) high.

With an overall accuracy of ± 0.01 mm, the instrument has a thumbwheel presetting control on the front panel which enables any dimension to be put on to the display. Thus, dimensions can be checked without reference to base datum and allowance can be made for stylus width in slot measurements. In addition, actual errors can be indicated if the drawing dimension is pre-set as

SECURITY

Low noise disintegrator

BECAUSE A slanted knife cutter in a security disintegrator replaces flat cutting, but with a quieter cross cutting process, the machine's noise level is much reduced, says Volumatic, Taurus House, Kingfield Road, Coventry. Its security disintegrators are intended for materials such as microfilm, microfiche, printed circuit boards, computer print-outs, tapes and cassettes.

They have been designed specifically for disposing of high security information and are said to turn confidential material into "micro-confetti". Acoustic testing of the machines in typical installation areas shows sound levels of as low as 83 dBA. Seven models are available with destruction capacities of from 50 to 100 per hour up to one ton per hour.

system — the main memory exchanges material with disc for operating purposes to avoid the allocation of fixed segments of main memory to specific functions, effectively increasing the power of main memory. HP's system is called AMIGO and allows multiprogramming, multitasking (up to 16 terminals can be supported) and the ability to manage background jobs such as printing while higher priority data entry, enquiries, etc, are made on terminals.

The display on the 300 is particularly interesting in that it can be split into multiple "windows" each of which can be attached to a data file and scrolled both horizontally and vertically for viewing and editing purposes. One of the windows is used to dynamically label a column of eight "soft keys" to the right of the screen, allowing push-button selection of operating system functions and application menus.

Hewlett Packard has also applied SOS technology to its 3000 computer system, producing the HP 3000 series 33 designed to meet on-line transaction needs. It runs the same multi-programming executive operating system as the existing larger series II and III systems. Main effect has been to reduce the 700 square inches of the earlier machine's processor to three SOS chips.

Of some attraction is the fact that the company is able to offer most of the peripherals needed to operate these computers from its own manufacture. Among them is the new 2808A printer which uses a 15 x 9 dot matrix and runs at 400 lines/minute. More from the company at King Street Lane, Wokingham, Wokingham, Berkshire RG11 5AR (Wokingham 784774).

AUTOMATED DESIGN & TESTING

Move by Membrain

MEETING MOVES by major opponents, Membrain, ATE manufacturing division of the Solartron group, has brought out the 9280 in-circuit test system.

In this approach (whereby all components on a printed circuit board itself, are tested individually) it complements the company's existing MB7700 range of micro-computer-based ATE.

In the MB9280, a bed-of-nails is employed to link the unit under test to a measurement module controlled by a 280-based micro controller. Test programs are loaded into the controller memory from floppy disc.

Membrain will undertake the supply of appropriate bed-of-nails with the nails positioned to suit the board under test. Alternatively, it offers a corresponding kit, for the user to conform with his own boards. A copy of the pcb artwork serves as a cutting and drilling template. Writing an in-circuit test program is also a simple task: the program is little more than a list of component positions, values and tolerances.

Membrain, 23, Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset. (0202) 893536.

Fast board layout

QUEST Automation, known for its automated draughting equip-

ment (ADE), has a new auto-routing and data capture package which provides the complete layout design service from circuit schematic diagram to finished printed circuit board (pcb) layout and production package.

ADE serves the electronic industries which use it for design, drawing and production of data for pcb manufacture. QUEST's system, which is mini-computer based, speeds up this process by allowing the layout designer to use his skills and let the computer take care of repetitive draughting tasks.

QUESTar is the latest in a series of packages which are evolutionary developments of QUEST's earlier draughting systems. It provides the pcb layout designer with a powerful interactive design aid. As such, it simplifies the process of pcb design to layout sequence and its data capture technique will reduce the time spent at the digitising stage by up to 70 per cent.

The package allows data to be entered at the circuit diagram stage and will then maintain circuit connectivity through gate allocation, component layout, routing (whether automatic or manual) and subsequent editing. This provides a check on the integrity of the final artwork which is then used as the basis of the pcb manufacturing process.

Databases thus created can be post-processed to produce other manufacturing information in the form of numerical control tapes for photoplotting, drilling, milling, testing and component insertion. In testing, QUESTar can produce functional information for later in-circuit tests—a considerable refinement on pre-

vious methods where only pin-connectors were specified. QUEST is at Ferndown (0202) 891010.

Analogue boards

HIGH SPEED in-circuit testing of analogue printed circuit boards having up to 128 nodes can be carried out with the 22301 tester put on the market by GenRad.

Able to test a 100-component board in five to 10 seconds the machine, normally run from a "bed of nails" fixture, first tests, under software control, for path-to-path short and open circuits. Identifying each fault by its type and corresponding pin number, limiting value tests are then made on resistors, inductances and semiconductor junctions, each displayed fault appearing in terms of component identification number, actual measured value and the corresponding test nodes.

Together, these assembly and process-related faults account for 70 to 80 per cent of those found on a typical analogue board. By detecting them as early as possible in the manufacturing cycle users can eliminate expensive fault-finding that might otherwise occur during functional testing.

Test programs are kept on magnetic stripe cards, simply loaded; after this, testing is initiated by pressing a button. GenRad is at Bourne End, Buckinghamshire (08285 26611).

In-circuit diagnostics

DIGITAL in-circuit test and diagnostics are being provided within the analogue ATE system manufactured by Racal Automation.

Reliable high speed testing of assembled printed circuit boards, containing both analogue and digital circuit elements, can be achieved by non-technical operators using Racal "Rebate" systems.

Sales target is the electronic equipment manufacturer who recognises the value of presenting final test only units containing individually tested printed circuit boards known to be correctly assembled with good components.

Basic principle of the new digital capability consists in applying a short duration, high intensity pulse stimulus, in the form of a dynamic truth table, to the digital package under test. This guarantees that the correct input is applied regardless of internal faults within the package. Defects on lines external to the packages, or discrete components, are automatically located within the same overall test cycle.

The input test signal is programmable over a voltage range that will accommodate all commonly-used integrated circuit types including TTL, DTL, NMOS, PMOS and CMOS. Data on a wide range of integrated circuit types is stored with the system library and in addition the user can easily extend, update or modify data stored.

The printed circuit board is simply mounted on the jig and the fully automatic test cycle is initiated. Location of a fault is presented to the operator in plain language hard copy as a faulty component or package identification.

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8

LOMBARD

Arithmetic of hidden power

BY ANTHONY HARRIS

MR. CALLAGHAN'S observation to the trade unions that he knew of "no precise arithmetic definition of responsibility" was a fair enough crack, in its way, but a sinister one too: for it does, a lot to explain the rigidity of the policy against which the unions are rebelling. Ministers have been seduced by precision; and the seduction has been done by civil servants. Restraint, as a general policy imposed by general consent, is a fugitive, imprecise thing, like horse trading (and one can too readily imagine the horse likely to be bought by a syndicate of civil servants). Decimal points mean power.

The power that a Government department can generate given one hard figure for justification was fully revealed in the "secret" memorandum spelling out how phases four, five and six would be enforced. Without in any way adding to or detracting from Ministerial pronouncements on pay policy, the document went on to elaborate a whole structure of guidelines and possible loopholes with a sadistic relish worthy of the Inland Revenue.

Uneasy

What is at work here is a natural and even laudable reflex of the bureaucratic mind. Civil servants are highly intelligent men, but curiously innocent: they are somewhat out of their depth in the real-world of business, and they know it.

However, civil servants are very good at arithmetic. Figures have a most reassuring objectivity and are never controversial. Two and two still make four even in the Minister's constituency; give a civil servant a precise arithmetic definition of your policy, and he will soon give you a startling working definition of what the French call *la droite administrative*—a phrase cannot decently be translated into constitutional English.

Numerical expressions which start life as a kind of illustration of a policy objective soon come to take the place of the policy itself. The successive codes, codes, for example, substituted a cost-plus formula for the objective of price restraint. Many manufacturers found the code a convenient justification for raising prices—or at any rate list prices. A discount from the price allowed by the code could be persuasively presented as a bargain.

In pay policy, the percentage norm has not only justified a novel development of administrative power—the black list, which has entirely delighted the

officials who run it—but generated a whole counter-arithmetic of so-called productivity deals. The result is highly questionable in economic terms, but it has not really an economic game, but a power play. Numbers are not only useful in conferring administrative authority over the outside world, but in keeping Ministers in check. Perhaps the best example of this is our monetary policy. In no other country is the money supply defined in terms anything like our own M3. M3 is a very poor measure of anything which an economist might define as money. It is a poor measure of liquidity, because of switches between non-bank holdings of bank CDs and Treasury bills. Both are equally liquid; but CDs are part of M3, while Treasury bills are not. Swings of a billion or two across this frontier have been recorded, as have large swings between bank deposits (inside M3) and building society deposits (outside). It is equally a poor measure of credit creating capacity, because it leaves out the building societies and possible parallel markets. It also behaves perversely, shooting up in a squeeze and falling when money is fed into the system.

However, M3 has one supreme merit: it is directly connected with the public sector borrowing requirement. Whenever it grows too fast, Ministers can be told it is because the borrowing requirement is too big to be financed.

Distaste

This was the reason why the M3 definition was chosen as the right objective for monetary policy. There is growing distaste with it in the Bank of England, where the present control regime, destroying banking competition, has been adopted with the deepest distaste; but it may prove difficult to woo the Treasury away from a definition which can still be used to bring the Cabinet to heel. One development on the numbers front suggests a way of reversing the advance. We used to have a declared policy of securing a competitive exchange rate; but since the Treasury has discovered six different definitions of competitiveness, all telling different stories, the policy itself has vanished. So the wise advice to the TUC, the CBI and anyone else concerned to fight off Whitehall marauders is this: whatever you say you want to achieve, preserve your ambiguity as you would your virginity. The price of liberty is imprecision.

THE WEEK IN THE COURTS

The courts intervene in the prison system

BY JUSTINIAN

PRISON administration will be more profoundly and lastingly affected by a decision of the Court of Appeal last week than any episodic event such as the current disturbance at Gartree prison or the earlier riots at Hull prison in August, 1976. It was in fact the latter that gave rise to six former inmates taking proceedings in the courts culminating in last week's decision that uniquely injected a dose of legalism into the prison system.

Until last week the courts had consistently decided that the prison system was exclusively governed by statute and rules made thereunder, and that any intervention by the courts in the management of a prison would be intrusive and impolitic. While it was never explicitly said by the law that a prisoner was by definition without any rights (the usual way of saying that he had privileges that could be withdrawn at the discretion of the Governor), the clear implication was that behind the walls of a prison the citizen's ordinary rights were in abeyance throughout the duration of the prison sentence.

Now at least a prisoner has the right of access to the ordinary courts to challenge the exercise of the disciplinary powers of Boards of Visitors. Whatever the status of a person held in custody, and however attenuated the rights and liberties might be as a result of some punishment inflicted by the criminal courts, the right of recourse to the courts remains unaltered and until Parliament specifically takes it away, that right remains.

Now that victory has been recorded, the six prisoners' cases go back to the Divisional Court for it to determine whether in any, or which, of the cases the Hull Prison Board of Visitors had failed to comply with the standards of justice appropriate to disciplinary proceedings in prisons. It is at this point that the real test of the degree of interventionism by the courts will come. What standards will the courts insist upon? Will they crucially decide that a prisoner is entitled to have legal representation before the Boards, a concession that the prison authorities have stoutly declined to make? Irrespective of the winner of that prospective

battle, the ultimate recourse to the courts by prisoners will be indelibly stamped upon the whole relationship between staff and inmate.

The need to maintain order in prison is paramount. Without it neither prisoners nor staff can live in peaceful co-existence. But order is likely to be maintained best when all within the institution feel that the normal precepts of justice are applied to their individual situations. People who offend against the criminal law and are sent to prison can best be taught the virtue of respecting authority if they are given the protection of the law even though their liberty is restricted.

Disregard

So long as prisoners feel that justice is absent from the disciplinary proceedings taken against them by the staff, the system of law enforcement is brought into cynical disregard. From that situation stems resentment at the institution's authority, which in turn may lead to outright hostility and even violence. A quite different picture emerges if the disturbances in our prisons in recent years is attributable to the lack of any acceptable complaints procedure for prisoners. The removal of such grievances will go a long way towards a sensible modus vivendi in penal establishments.

One result of last week's decision for the Home Office may be a complete review of the existing regulations for dealing with prisoners' complaints. Too often grievances remain unresolved until they have been dealt with formally before the Governor or the Board of Visitors applying the disciplinary machinery. A quite modest proposal is to inject a filtering procedure on which both staff and inmates could rely for avoiding the necessity for formal procedures. This would require an initial "clinic" conducted by a single member of the Board of Visitors where prisoners could raise their complaints without the threat that a malicious complaint would lead to disciplinary charges. This conciliatory process is in fact already followed in some prisons. If the complaints remain unresolved, then some arbitration procedure will have

to be applied, and only in the last resort should disciplinary action be necessary.

At the same time as the Court of Appeal's decision, the head of the Dutch prison service, Mr. Hans Tulken, was in England talking to interested groups and describing the Dutch approach to these problems, which is much along the lines proposed above. In Holland the deliberate policy is to use imprisonment very sparingly and then only for very short terms. This has averted overcrowding, to the point where it has proved possible to deal on a more individualistic basis with the problems of staff-inmate relationships.

In retrospect, the Court of Appeal's insistence upon asserting the ultimate power to supervise, and if necessary to control, aspects of prison administration (so far only in respect of disciplinary proceedings before Boards of Visitors and possibly of Governors of prisons) may mark the advent of a new form of independent inspection of prisons. Indeed, whatever changes are forthcoming, the result is likely to be the establishment of an Ombudsman for Prisons, just as one for the Health Service was found necessary to supplement the work of the Parliamentary Commissioner for Administration (the original Ombudsman).

Regina v. Board of Visitors of Hull Prison, ex parte St. Germain and others, The Times Law Report, October 3, 1978.

Lancia expects to sell more

LANCIA, the specialist car subsidiary of the Fiat group of Italy, expects to sell 12,000 cars in the U.K. in 1978, an 85 per cent increase on the 6,500 sold in 1977, the last year a Motor Show was staged.

At this year's show in Birmingham, Lancia's new three-speed automatic transmission for the Beta range will make its British debut. Developed in association with Britain's Automotive Products, it is the first transmission of its type to be built entirely in Italy.

The automatic option will be offered on right-hand-drive cars early in 1979, initially on the Beta 2000ES sedan only. Later it will be extended to the 1600 and 2000 models.

TENNIS BY JOHN BARRETT

Something to shout about from Britain's men

SO AT LAST the British men have given us something to shout about. By defeating the holders, Australia, in the semi-final of this year's Davis Cup competition last weekend at the Crystal Palace National Sports Centre, Paul Hutchings' well-balanced team have taken a giant leap forward.

They have achieved more than any national side since that great team of the 1930s who, with Fred Perry and Bunny Austin in the van, ruled the tennis world for four glorious years between 1933 and 1939.

The fact that Australia won the last two singles yesterday—Tony Roche 6-3, 6-5, 6-2 against John Lloyd, and John Alexander 6-2, 6-3, 6-2 against Buster Mottram—was significant only in the manner of the British opposition.

Having been treated graciously by Neale Fraser's losing team, at least it behaved them to give, their best which, said to relate, they did not.

However, nothing can dim the heroic memory of the first two days. After the singles wins on Friday, Saturday night became a night to remember, a moment to cherish, when Mark Cox and David Lloyd brought down the 1977 Wimbledon champions Ross Case and Geoff Masters 6-6, 6-6, 6-4, 6-3.

Not for 41 years has Britain been in the final of this international men's team competition. In 1937, with Perry having retired, professional, the successful run in a loose-knit but highly professional team organisation, ended by America at Wimbledon.

Early next December Hutchings' team will again face the U.S., who completed victory over Sweden in Stockholm yesterday. But even if, as is possible, Jimmy Connors joins the successful squad of Vitas Gerulaitis, Stan Smith, Bob Lutz and Arthur Ashe, the task which a month ago might have seemed a daunting one is no longer impossible.

Those of us who saw the manner of this overwhelming win against Australia, believe as they themselves do, that anything is possible now.

The credit for this magnificent team effort must go chiefly to Hutchings and also to Roger Becker, the trainer, for welding together four highly individual and, at times, difficult characters.

Hard to believe

It is hard to believe now that back in March Buster Mottram, our number one player who laid the foundations of this success by his mettlesome four-set victory over Tony Roche on the opening day—still had not settled his personal differences with Hutchings that kept him out of the competition since the summer of 1976.

Three months later he was still having slanging matches in public with David Lloyd.

By introducing the calming influence of Neale Fraser, expert of Cox and allowing these individuals free expression with a loose-knit but highly professional team organisation, ended by America at Wimbledon.

SOCCER BY TREVOR BAILEY

Nottingham Forest head for further successes

NOTTINGHAM FOREST not speed and shoot into the far corner of the net. The record of 34 League matches without defeat on Saturday night was a record for a club in the top division of English football.

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For the second time, the record of 34 League matches without defeat on Saturday night was a record for a club in the top division of English football.

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palatable. This has been made more palatable by Clough's personality and results on the field. Finally they buy well and are not afraid to buy big, while they also sell shrewdly. This was shown when they let Withe go because Birles was ready to burst on to the scene.

The signing of Peter Shilton last season has much to do with the impressive defence record of the club. None can succeed without a sound defence. So far this season, Shilton has let in only nine goals in 18 matches and last season only 15 in 37 matches.

How many more honours would Leeds have gained in their great days, had been keeping goal for them?

Under the effervescent genius of Brian Clough and the sound practical advice of Peter Shilton, Nottingham Forest is a tonic to English football. The club's pitch is perfection and it has spent some £400,000 on ground improvements.

In addition to bringing quality football to Nottingham, Clough and Taylor are now waging war on the hooligan section of Forest supporters, whose behaviour and language are driving people away from the game.

GOLF BY BEN WRIGHT

Horton ends his lean spell with Masters victory

TO SAY that Tommy Horton of Royal Leamington (71, 70, 67, 71, 278) backed into winning the Dunlop Masters tournament at St. Pierre, Chesham, on Saturday sounds a little curious.

He won by one stroke over Australian Graham Marsh, South African Dale Hayes, and the extraordinary club professional Brian Waites of the Nottinghamshire.

But the great Ben Hogan said many years ago that most golf tournaments are lost, rather than won—and this was a case in point, as all but Horton of the overnight leaders backed off, and it was left for Marsh (67) Hayes (69) and Waites (69) to come through the field from behind to set an early target of four under par 280.

Poor Brian Huggert found the ordeal of playing in front of his Welsh countrymen too much for his nerves, as he had wryly forecast the previous evening.

His final round of 75 culminated in a disastrous two over par 5 at the final hole that plunged him into a tie for fifth place with the leading American Bob Byrne.

Horton set up his winning chance with a splendid outward half of 33, and after a birdie at the 10th hole was two shots clear of his closest rival. But after dropping shots at the 12th, 13th and 16th holes he knew he had to finish with par 4, 3 to win by a single shot.

That he managed to do so after narrowly missing his birdie putt at the 17th was a considerable statement of character, since he missed the last green to the left, had to pitch from hard ground over a bunker, and then, hole in hand, putt of ten feet for victory.

Horton himself attributes his success to a combination of factors, including a fine putt at the 17th hole.

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But the great Ben Hogan said many years ago that most golf tournaments are lost, rather than won—and this was a case in point, as all but Horton of the overnight leaders backed off, and it was left for Marsh (67) Hayes (69) and Waites (69) to come through the field from behind to set an early target of four under par 280.

Poor Brian Huggert found the ordeal of playing in front of his Welsh countrymen too much for his nerves, as he had wryly forecast the previous evening.

His final round of 75 culminated in a disastrous two over par 5 at the final hole that plunged him into a tie for fifth place with the leading American Bob Byrne.

Horton set up his winning chance with a splendid outward half of 33, and after a birdie at the 10th hole was two shots clear of his closest rival. But after dropping shots at the 12th, 13th and 16th holes he knew he had to finish with par 4, 3 to win by a single shot.

That he managed to do so after narrowly missing his birdie putt at the 17th was a considerable statement of character, since he missed the last green to the left, had to pitch from hard ground over a bunker, and then, hole in hand, putt of ten feet for victory.

Horton himself attributes his success to a combination of factors, including a fine putt at the 17th hole.

RACING BY DOMINIC WIGAN

Guide is a necessity for many

EIGHTEEN POUNDS for a near pocket-sized book published once a year is a price that might be expected to raise a few eyebrows.

However, when that book is regarded as the standard work on its subject it is easy to understand why it is a necessity for many.

The book is Timeform's Chasers and Hurdles, which is again available in plenty of time for the new jumping season.

It gives all the important facts—age, colour and sex, breeding, the margin might suggest and I have little doubt that she will follow up with a fourth consecutive plus, in many cases, suggestions victory if brought out again this

Some of the season. Although the temptation to retire Swiss Maid must now be very real, I hope that her connections let her take her chance on the racecourse as a four-year-old. Next year could well see the good-looking daughter of the race with eye to the future, was almost certainly the Group II Sun Chariot Stakes.

Swiss Maid, who has made a remarkable progress lately in the hands of Paul Kelleway, won this race with a good deal more—age, colour and sex, breeding, the margin might suggest and I have little doubt that she will follow up with a fourth consecutive plus, in many cases, suggestions victory if brought out again this

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Meet the new Programme Controller for BBC and ITV.



THE PHILIPS N1700 VIDEO CASSETTE RECORDER.

Our N1700 Video Cassette Recorder receives signals directly from your television aerial and records them.

It works rather like an ordinary cassette recorder, but records both sound and vision, so that you can tape entire programmes.

But you'd be wrong if you thought that the N1700 was for people who sit in front of the box all evening.

In fact, the N1700 has been designed especially with the selective viewer in mind.

Because the trouble with being a selective viewer is that sometimes you have to be a little too selective.

You must know the feeling. Often, two excellent programmes clash and you're forced to make a reluctant choice of channels.

Omnibus or News at Ten. The South Bank Show or Match of the Day. Survival or Reginald Perrin.

The N1700 solves the problem.

Since it records the signals from any of the three channels independently of your television set, you can watch a programme on one channel while the machine records the other for you to see later.

The only choice you have to make is which programme to see first.

However, the advantages of the N1700 don't end there.

This may come as something of a surprise but the N1700 will also record programmes while your television set is actually switched off.

So if you happen to have some people over the very same night that the movie you always wanted to see is on, don't worry.

Simply record while the set is switched off. And play it back at a more convenient time.

And that's the perfect cue to tell you about the N1700's unique three-day clock.

Say you went off for a long weekend desperately wanting to see a programme that appeared on the Monday.

With the three-day clock facility you could set the machine precisely to record while you're away.

It will turn itself on, record the programme, and turn itself off. (Again, while your set is switched off).

Finally, of course, you can also record programmes directly as you watch them.

You record them on a range of cassettes up to 2½ hours long. Each of which can be erased and re-used.

And the sound and colour picture quality are superb.

But don't take our word for all this. Visit your nearest dealer and ask for a demonstration.

Simply years ahead



Spink's bid to join London's big three



The Charles I silver Crown struck at Oxford during the Civil War. It is expected to fetch £26,000

The House of Spink, founded in 1825 by the oldest coin dealer, it had remained a family business in the truest sense of the word until last December. Then, however, the Spink family and its merchant bankers, Lazards, accepted an offer worth some £5m from Andrew Weir, the private shipping, insurance and investment company, which thus gained control at a stroke.

The deal was shrouded in mystery from the first rumours of a sale. It was now estimated at £8,000.

Patrick Finn, associate director of Spink's, insists that Spink's aim is to become London's leading numismatic auctioneers though he concedes that it is an objective which is hardly likely to be achieved overnight. Spink's decision to open up to other London auction houses as a source for its own stock for its Coin Room at St. James's.

Also to be offered is a Triple Unite of Charles I (1625-1649) struck in Oxford in 1643. The Triple Unite, or Three Pound piece, is one of the largest gold coins in the English series and was made from melted college plate during the Civil War. This specimen was in the collection of the Duke of Devonshire as sold at Christie's in 1844 for just over £5. It is now expected to sell for £10,000.

The main coin of the sale,

However, is the Oxford Silver Crown of Charles II. is now one of the most famous coins in the English silver series, was struck in 1644, and again was made from melted college plate. The engraver of this coin was Thomas Rawlins, "a staunch Royalist and sometime play-
right." The coin shows a panorama of the City of Oxford seen through the legs of the Monarch's horse.

This coin had been in three famous collections before it was sold at auction for £56 in 1847. More recently it was in the famous R. C. Lockett collection. When the Lockett collection was sold in 1958, the coin fetched £760. It was more recently sold in 1974 for £20,000 when it was

bought by Spink and Son for the present vendor.

Further Spink sales this season include an exceptional collection of the Bonelux counter-tries and France which was made by the famous artist, during the last century. This collection comes under the hammer on November 29. This sale also includes rare gold and silver coins and medals not offered for public sale for over thirty years. On February 21 next year the collection of the Rt. Hon. Lord Hamilton of Dalziel is to be offered. This comprises English silver and gold coins minted from Charles II to Victoria and the collection is remarkable for its range of dates and varieties.

BY PAUL TAYLOR

BRITAIN's doctors are 18 per cent richer than the rest of the world, but the likely die young from heart attacks and much less likely to suffer from lung cancer, according to a report published today.

However, the report published by Dr. Robin Murray, senior lecturer at the London Institute of Psychiatry, in the Journal of the Royal College of Physicians, also shows that sick doctors are "peculiarly difficult to treat."

Dr. Murray says that doctor's good health record may be due to the "highly selective process" that admits primarily healthy individuals from the middle and upper social classes to medical school.

"After becoming doctors, members of the profession benefit from a high socioeconomic status, easy access to highly-specialised medical care and perhaps also from a knowledge of health risks.

There are only three causes of death from which doctors are likely to die that the general population: suicide, liver disease and accidents. Dr. Murray found,

**The Norwich way
is knowing what makes the wheels go round.**

local engineer David Haines (on the right in the picture above). They appreciate dealing with someone who speaks their language;

With Norwich Union smaller operators throughout the United Kingdom enjoy just the same friendly contact with experts.

Whether you are concerned with plant and machinery or choosing a profitable life policy, this personal approach to insurance is characteristic of our special way of doing things; the Norwich Way.

Ask your broker
about us.



APPOINTMENTS

Board changes at Watneys

- Dr. A. H. Button has been property division, has been appointed managing director appointed to the Board of LDC (operations) and Mr. J. W. Stokes Holdings.

has been appointed managing director (trading) of WATNEYS LONDON and deputy chairman of WATNEYS SOUTHERN. Dr. Button takes responsibility for brewing, production and distribution at Mortlake, Isleworth and White-

chapel and for company personnel policy. Mr. Stokes takes responsibility for the company's tenanted estate for free trade, marketing and property liaison.

These appointments have been occasioned by the appointment of Mr. John Seabrook as managing director. Mr. Robin Seames as chairman of Watneys Southern and Watney Mann (West) in addition to his new chairmanship of Watneys London Group.

Mr. John Seabrook has been appointed sales director of MOORLITE ELECTRICAL, makers of fluorescent lighting fittings, and of the Watney Mann subsidiary, Stuart Cessford has been appointed engineering director of THOMAS BYDER AND SON, the lighting subsidiary of Whitecroft. He was previously with the Alfred Herbert Group.

Dr. Burton was formerly production and distribution director, Wilsons Brewery, Manchester. Succeeding him is Mr. R. B. B. Lister, production and distribution director, Wm. Webber and Sons, Halifax. Mr. Stokes assumes the deputy chairmanship of Watneys Southern having previously been managing director. He is succeeded by Mr. T. M. Mansell, formerly deputy managing director of Watneys London.

★
Mr. A. K. Slipper, previously managing director of the company's health and chemicals division, has transferred to become general managing director of **C. DUBURY SONS**, a firm with a fine division at Bourneville and **Clive Thomsson** is promoted to managing director of the health and chemicals division, which comprises **Jeyes**, **Theford**, and plants at **K. Kilbride** in Scotland and **W. A. Smith** at **Widnes** in Cheshire. **Aerosols** are international. **Bracknell**, and **Wellington** in **Somerset**; **Jeyes** **Ireland**, **Dublin**; and **Jeyes** **Overseas**.

The Lifford has confirmed the appointment of Mr. John S. Fraser as chief executive and managing director from November 1. This follows the appointment of Mr. G. H. W. Smith as head of Celgeiz Agrochemicals at Yverdon, Basle, Switzerland. Dr. Albin Knecht, currently head of the company's research department in France, will succeed Mr. Fraser as director, marketing, and as a member of the Lifford group management committee also with effect from November 1.

A new division comprises six operational divisions and one service division. These are: Adhesives, Sheldons Engineering Riggs Holdings, Bredford Bros. M. Giehrich S. Pickles, WPM Services, and WPM decorative products division. Read International.

Mr. R. Adams, managing director of the firm and C. Kirkcaldy, has been appointed president of the SCOTTISH FURNITURE MANUFACTURERS ASSOCIATION.

R.F.D. GROUP announce that Mr. G. E. Davies, chief executive of its special products division, has been appointed a director of the group.

The following appointments have been made to the Board of MIDLAND BANK, FRANCE S.A. by Mr. Hérre de Carmoy, chairman of executive Board, Mr. André Gervin, executive director and general manager, Mr. J. J. de Jembla, executive director, Mr. Konstantin von Kolze, executive director, Mr. François Seurre has been appointed company secretary.

Having reached retirement age, Mr. Leonard A. Maybury, group deputy chairman, has resigned from the Board of LCCP HOLDINGS. He will continue as a non-executive chairman of the companies within the distribution division and will remain chairman of Heston and Mitcham Foodways.

Mr. Norman P. Appleton, Mr. David R. Fraser, and Mr. Peter J. Woodward have been appointed directors of WALKER AND STAFF (WESTERN).

11-11-68

The Turk in Italy

by WILLIAM WEAVER

For its own glacial benefit even-
ing, the City Opera production of
Rossini's *Il turco in Italia* an
event planned obviously to raise
spirits as well as funds. To judge
by the large and enthusiastic
audience, one would say the even-
ing was successful on both counts.
Except for the Barber, Rossini's
operas are not often seen in New
York's two opera houses. There
was a less-than-successful presen-
tation of a glibly sung *Siegfried*
at the Metropolitan a few years
back, and there have been
concert presentations of *Traetordi*
and *Mose in Egitto* fairly
recently; but otherwise, next to
nothing. This mounting of *Il*
turco, therefore, was a particu-
larly welcome addition to the
season.

It had a strong cast. The star
was Beverly Sills, the City Opera's
darling, who clearly reacts to and
returns the audience's warmth,
helping create—even in the large
State Theater—an atmosphere of
intimacy, a kind of family feeling.
She was a radiant *Adina* in
the voice, which last year in *The*
Widow had seemed
pinched and wobbly, was free
and sure, skilfully and merily
overcoming every problem in
Rossini's huge opera. Her *Adina*
was a voluble private joke, shared
generously—but not coarsely—
with the public.

Donald Gramm—in excellent
voice—was a properly sober, at-
tractive *Turk*, a more solid
character, the *foreigner* in the
midst of a sparkling, elusive
Neapolitan world. As *Prodan-*
cino, the poet-librettist whose
sometimes flows, sometimes
directs the plot, Alan Titus sang
and acted with effective grace.
Henry Price looked suitably for-
eign and sang with a plaintive
charm in the less successful role
of the enamored *Narciso*. Two
accomplished buffo James
Billings made *Don Geronio*, the
heckepoked husband, something
more than just a figure of fun.
In the small, but ingratiating
part of the gypsy *Zaida*, Suzanne
Marsée sang acceptably but was
unable to indicate much of the
character.

In this, she—like the other
members of the cast—was ham-
pered by Tito Caposiciliano's pro-
duction. Clearly the producer
was not the kind of man who
unflinchingly inventive score and
Felice Romani's urbane and ur-
sual libretto were enough to
sustain an evening's entertain-
ment. He cluttered the stage
with four Punchinellos, who
mimed, and who, in the end, in
tables and unhelpfully inter-
fered with the action. *Don*
singer was ever left alone. Every-

Snape Maltings

Benson and Hedges Gold Award

by ELIZABETH FORBES

The finals of the Benson and Hies song and piano for concert singers took place on Saturday night at Snape Maltings. First prize, worth £200, was won by Australian soprano, Rosemond Kathleen Blabberdyeva, soprano from the USSR, second, Miss Kathleen Livingstone, British soprano, third; fourth prize was won jointly by Andrew Knight, British baritone, and Alexei Martynov, Russian pianist.

The fact that five finalists were selected from the last eight indicated how close the competition, at least in its later stages, had been, but the large and appreciative audience, that filled the Maltings, seemed to regard the results, when Sir Peter Pears, chairman of the judges, announcing the winners, said that the verdict of the panel was unanimous. The other adjudicators were Hugueno Cuevas, Sir Vladimir Dorrak, Nancy Brans, Hans Hottel and Gerald Moore.

Rosemund Illing at 25 one of the youngest competitors, began her programme with a strongly characterised account of "Madness." Her voice is large, bright and even toned, but some Duparc songs displayed her ability to give it light and shade, while in classical Spanish Songs by Obradors, colour and edge were added in earlier rounds. "Madness" by Strauss was sensitively interpreted, but she also pointed up Miss Illing's one serious defect, a lack of clarity in enunciation. Her sympathetic pianist was David Newbould.

If Aïla Blabberdyeva had sung the French songs she was dramatically, as the Russian

items on her programme, there is little doubt that she would have won first prize. Her technique, musicality, intelligence and charm in generous measures. Her voice, which betrays a metallic edge in Mozart and Liszt, is transformed to gold by the liquid sound of the Russian language. Chalkovsky's "He loved me so much" ideally combined emotion and restraint. Mr Martynov's "Cursed" was illustrated with a delightful sense of humour, while "Frogher's" settings of poems by Anna Akhmatova displayed the more serious side of her personality. Her pianist, Roger Vignoles contributed greatly to her success.


Kathleen Livingstone cannot command the vocal opulence of these two sopranos, but she has a wider stylistic range and, like the other two sopranos throughout the competition were skilfully chosen (by no means the case generally) and her singing of Schubert, Wolf, Debussy and Poulenc was always intelligent and appropriate to the composer. Three songs by Maurice Strakosky, Maurice Gaveaux gave her audience much pleasure. Simon Nichols was her accomplished pianist.

The two singers who shared fourth place could not have been more different in quality of voice or attainment. Alexei Martynov has a smooth, typically Russian-sounding voice, that he uses with sensitivity. His leader as a pianist is far from his compatriot's; but it is Russian music that shows him at his best. Chal-

Coliseum

Iolanthe

The revival of *Iolanthe* at the **Coliseum** — Thursday's performance was sponsored by the Marlborough International Club — is very properly dominated by Anne Collins as Queen of the Fairies. Majestic, regal, dignified, this influential fairy is played with such relief by Miss Collins that the usual malice injected by Gilbert into his portraits of middle-aged women is diluted to good humour and wit. If the Fairies in this production, originally by Frank Hauser, now staged by Hugh Hailiday and Eric Hobbins, are apt to behave like the Girls of St. Trinians on a half-holiday, then their Queen presides over them like a benevolent headmistress.



Sally Burgess sings charmingly as Phyllis, Joyce McCrindle makes a gentle, attractive Iolanthe, and Alan Opie, a sturdy Stephen, overcomes the absurdity of being a fairy from the waist upwards with a faint nonchalance. But it is the character roles who have the most amusing lines and the tightest music. Eric Shilling's Chancery is still as nimble on foot as on tongue, while Jerry Looking (Gardner), the not-so-lookalike (Mountbatten) make a notable pair of brainless Earls. Caddy sings his paean to wit in the days when she actually did ride the waves with splendid sincerity. As usual the music of the Chancery and Earls has to be encored.

There is an imposing new star, Willie (of the Grenadier Guards) in the person of John Tomlinson, whose uniform fits impeccably, and whose singing, as well as his appearance, merits the compliments lavished on him by the Queen of the Fairies. Even the pair of scarlet wings sprouting from the back of his tunic does not impair his dignity. The sets and costumes—no designer is acknowledged in the programme—look fresh and trim; the opening scene, with the stream at the bottom of which the unfortunate Iolanthe is serving her life sentence of

witty point in the text had to be driven home with an outsize hammer. The audience laughed heartily, but not always where the authors had intended.

This guying was really unnecessary. Andrew Porter's apt translation (sung with admirable intelligibility) caught perfectly the light-hearted original, but did neglect the story's wistful, tender moments (the love of Zaida especially). The key to the interpretation was there, but Capobianco failed to grasp it. Fortunately, the Turk was always pleasant to look at, thanks to the delicate, fragmented sets and the elegant costumes designed by John Conklin.

Julius Rudel drew accurate, nuanced playing from the City Opera orchestra, though his interpretation made one wonder if he is really a Rossini conductor. There were curious choices of tempo for the Turk's entrance, preceded by a delightful chorus of oarsmen, became bafflingly lugubrious; and, often, the sparkle was simply not there. Nevertheless, the opera came across, was enthusiastically applauded and has presumably won its place in the New York repertory. May other unfamiliar Rossini masterpieces soon follow it there.

The memorable features Saturday's *Götterdämmerung* were Colin Davis's conducting and Bengt Rundgren's laryngitis. Obviously stricken, Mr. Rundgren carried on bravely as Hagen; but his Watch monologue and the murder-plot too were weak. He tried to summon the Valhalla in a hoarse, sotto voce, sales in a barren solo. The Valkyries sang so well that they broke the back of the evening redounds to the credit of Mr. Davis, whose grip on the score was not jarred loose. His is a reading of great distinction, and wonderful assurance. In the first *Rheingold* of the season I thought the interpretation a trifle tentative, especially the one which brings Wotan, Loge and their captive back up to the heights; but the parallel ones in *Götterdämmerung*—from the Norns to the "Fate" and from fragen "Wotan" to Brünnhilde's rock-woman—masterly: unburied, strong subtly detailed.

Of the other principals, Jon Cox sang Siegfried with attractive ease as far as his meeting with the Rhinemaidens, and then tired rapidly. Jerker Arvidsson repeated his nervy, effective Gunther, and Helena Düse her hoydenish Gutrune (the producer's notion of the character makes little sense of her function).



scene: when Wieland Wagner conjured up a similar Gutrun (he cut it). There was every reason to be grateful for Berlioz's secure, consistent

Festival Hall

Leningrad

by ARTHUR

Strange that the Soviet Union, leading industry should bring out a note of music by an living Soviet composer! The Leningrad Philharmonic, who ends its current British tour with an appearance at Liverpool tomorrow, presented Berlioz, Brahms and Chaikovsky at its second London concert on Friday. Can it be that today's officially-approved Soviet style of musical composition would strike Western listeners as so old-fashioned that it is diplomatically labelled: "Not for export"!

Gold Award

PRIZES

Kovovsky's "Again, as before, alone" and Rachmaninov's "A Dream" were exquisitely rehearsed. But the tenor's interpretative powers were not on a quite the same level as his technical skill.

Andrew Knight, on the other hand, uses a voice of limited range to maximum effect. His programmes were interestingly varied and included several Erikoids by Loewe, whose "Erikoids" was powerfully dramatised and some amusing traditional French songs to provide light relief. He also explored the mine of English Song more thoroughly than other British competitors. Graham Barber, one of the official accompanists, played helpfully for him.

Others should also like to mention the other singers who did not go beyond the semi-fair Lady Shenont, American soprano, who in some ways the most professionally finished of all the contraltas. Her preference is for modern music and some of her choices may not have pleased the judges, but her singing of Berg's "Seven Little Songs" beautifully accompanied by Graham Barber, was among the most rewarding experiences of the competition. Susan Dennis, a British soprano, excelled in songs by Wolf and Strauss. Her voice is not large. But she uses it with great intelligence and her witty enunciation of the texts is a constant joy to us.

Finally mentioned by Graham Johnson, the other official accompanist.

Hard to believe, anyway, that such a young conductor as Marjan Jansons—no proper biography was given, but he appears to be little over 30—should have freely chosen such a conservative programme. Most likely it was handed to him as an assignment but he conducted it with splendid skill and fluency. The first-class orchestral playing throughout the evening had many individual and convincing touches, both from the conductor and from his dedicated players.

It is a long time since I have heard a timpanist achieve such an effect with such a soft attack, perfectly blending with the other instruments instead of cutting through them in the exhibitionist way favoured by some English timpanists. He was tolerated by their conductors, but the tuba had a tone that was firm but light; not even affectionately called Danny Gave have called it "bubby". The first horn admirably delivering the famous introductory notes of the "Aphorism", exhibiting a singing tone (with generous vibrato) quite distinct from what we are accustomed to.

In what we have learned to be Russian fashion, Mr. Jansons was not so disposed to find agony in the most-beating in the "Aphorism" (There is a "Aphorism" and a "Aphorism" with the less "tragic" way than the Russians perform Chekhov). The end of the first movement was almost perturbing. But the final impetus of the symphony was superb. The "Aphorism" should have thought, I regrettable, but there were some in the audience who burst in with clapping at that dramatic pause a minute before the end.

Berlin's "Aphorism" was even more remarkable than Mr. Jansons never let it rip for the sake of mere orchestral show. Everything was crisp, controlled, slow—I would almost say "delicate". I would almost say "thoughtful" applying before to this much played overture.

The soloist in Brahms's Violin

A high-contrast, black and white photograph of a person, likely a deity or religious figure, wearing a crown and holding a staff. The image is heavily stylized with a grainy, high-contrast effect.

Alan Opie and Anne Collins

Leonard Price

card to precision and ensemble, but also allows the singers rather more latitude than she has sometimes permitted them in the past; they do not abuse the freedom, and neither does the orchestra nor the chorus.

Iolanthe was the first Gilbert and Sullivan opera mounted by the then Sadler's Wells company nearly 17 years ago. The English National Opera can still be proud of it.

ELIZABETH FORBES

Covent Garden

Götterdämmerung

by DAVID MURRAY

Brinnshilde, and much to admire in it too, is the passion her performance clearly wants in Zerkow's clearly not mature condition for her, she rises later to vengeful despair with unexpected power. There were no complicated undertones in the Impoliation, but she did not lack intensity, and with Davis's closely sympathetic support and beautiful orchestral playing something like a catharsis was achieved.

The last minutes of the opera are still a visual shambles—a different shambles from the 1976 did, and a more successful one, less. Fortunately, Davis's hand did not falter (and earlier he had conducted a resplendent Funeral March). Ingrid Rosell's costume designs grow less persuasive, the cycle nears its end, and Günther's long hanging clothes will do, except Hagen's swatches of silver sequins will not do either for a half-giantess at home or a warrior. The Rhinemaidens are better as individual characterisations (which the *Götterdämmerung* never invites) than as a trio; they rarely struck a just balance, and perhaps Svoboda's awkwardly ingenuitous Rheinhed is to blame.

The most remarkable aspect of the huge, hanging lenses in the Gibichung palace is still what they cost: was it really worth it for the director's eerie close-ups, and for the occasional glimpse of someone retreating inside-down?

Philharmonic

R JACOBS

Concerto was Victor Tret'yakov—whose musical appeal to an audience is reinforced by an old-fashioned virtuosic demagogue, the body swaying and the lock of hair bouncing. His richness of tone even in very high notes was one remarkable feature of the first movement; the other was that a structure which can seem grim and inflexible became warm humanised—sentimentalised, almost.

Thus far it worked. But in the second movement, Mr. Tret'yakov

"beat" the music went to extremes, the end being downright unorthodox. The final movement made only a partial recovery: a stronger sense of style should guide such a strong, responsive technique.

**Jean Langlais at
St. Paul's Cathedral**

Jean Langlais, organist at the Basilica of St. Clotilde, Paris, gives the second of this year's celebrity recitals in St. Paul's Cathedral on Thursday, October 12 at 6.00 p.m.

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A scene from 'Solitaire'

Sadler's Wells

Michael Corder

Michael Corder

by CLEMENT CRISP

Any week of dancing that begins with *Grasse Fugate* and *Choreographic*, *cloche mazurka*, can but get better and so it proved when Saturday's matinee at the Wells brought the first performance of a first ballet. The choreographer was Michael Corder, and the title was *Le Violoncelle*, and I think his *Rhyme* nor *Reason* the most impressive creative debut since Kenneth MacMillan's *Dances Comvertantes* took this same stage 23 years ago. Do you praise? I hope so. Do you believe not?

The comparison with MacMillan is more than arbitrary, like him, Corder is a good classical dancer with a strong rhythmic sense, a good sense of timing, like him, he has begun to work with Stravinsky and uses the dumbarton as a Concerto to produce a flow of plotless dances, light, witty, youthfully exuberant and stylish and as with *Dances*, from the very opening

idea the necessary step further the turns it into something fresh and personal.

Responsive to his score, Corder's textures are uncluttered, clear; responsive to the beautiful bodies he is using, Corder's dances are clean in line, and in the hands of the dancers I have never seen the three girls better, nor the boys more happily stretched (Batchelor, a pure classic stylist, is an exceptional artist).

The work's manner is in the manner of the girls. The girls are quite deftly elegant, like the Muses in Apollo after a session at a modelling school; the two boys are sportive, easy in their prowess; and there are no messages about the dancers' elegant delight in well-made dances, and Corder's no less evident delight in making them. The style pays decent homage to MacMillan and to Balanchine.

So, in need of creative gifts like his. Our classical ballet is poor in choreographers that we must make every effort to develop and use an authentic new creative voice.

Elsewhere programmes at the end of the week brought *Choreographic* in sound enough performances. Margaret Barchieri's mad-scene in Friday's *Giselle* was well thought-out; Judith Rowann made an impressive debut in *Le Violoncelle*; enjoyed Christlaine Anthony's guest appearance as Berthe. The production now contains a risible moment in which a member of the hunting party stands for an eternity centre-stage back, hunched about with hawks in the last stages of head-wobbling decrepitude. In *Solitaire* Marion Tat dances characterfully, despite wearing the early 19th-century costume, and the lighting is fearsome. Does no one care how the ballets look?

Steps of *Rhyme* there is a feeling of entire rightness about the choreography; the movements are so brightly, so impulsively, so gaily brought to the point of dance as to be essentially at one with the music.

The cast is from the main Gaiety Ballet troupes: Deirdre O'Connell, Judith Howe and Jennifer Jackson, Michael Batchelor and Stephen Sherriff, and Cordor Corder, their dancing with a liveliness, a shining pleasure in their movements, and an assurance of steps, that I found irresistible. With no décor other than a stage of surprisingly well lit for the walls, the girls in simple dresses, the boys in tights and shirts, Cordor demonstrates superb classical technique in using the floor to take an acrobatic

both of whom Cordor has understood. There is momentary weakness, when the impetuosity forces him into repetition, but they are nothing when contrasted with the obduracy of his imagination. What is so attractive and so impressive about *Rhyme no Reason* is the feeling of a talent flexing its muscles, at taking stock of the dance itself.

Michael Corder is gifted, and he should be treasured. And here is the rub. In July, he quit the Royal Ballet to join the Dutch National company. In view of the fact that *Rhyme no Reason* was first seen in February at a choreographic workshop, it more than regrettable that he should have decided to be lost to the Royal organisation, and

Galsworthy's 'Strife' for Oliver Theatre

John Galsworthy's *Strife* is to join the National Theatre's repertoire. It will open in the Oliver Theatre on November 30 (previews November 24, 25, 27, 28, 29).

The play, about industrial conflict, was written in 1907, and was last seen in London in 1913.

Michael Bryant is to appear as David Roberts and Andrew Cruickshank as John Anthony In a cast which includes Brenda Blethyn, Anthony Dine, Roger Garland, Glyn Grain, James Groom, John Harpur, Tamara Kestelman, and Nicholas Selwyn.

ENTERTAINMENT GUIDE

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Coliseum

100

Iolanthe

The revival of *Iolanthe* at the Coliseum — Thursday's performance was sponsored by the Marconi International Club — is very properly dominated by Anne Collins as Queen of the Fairies. Majestic, regal, dignified, this influential fairy is played with much relish by Miss Collins, who uses the usual malice injected by Gilbert into his portraits of middle-aged women is diluted to good humour and wit. If the Fairies in this production, originally by Frank Hauser, now staged by Hugh Halliday, and Eric Shilling, are apt to behave like the Girls of St. Trinians on a half-holiday, then their Queen overrides over them like a benevolent headmistress.



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A high-contrast, black and white photograph of a woman, likely a Hindu deity or goddess, adorned with a crown and jewelry, holding a staff or scepter. The image is heavily stylized with high contrast, resulting in a grainy, almost binary appearance. The woman is shown from the waist up, facing forward. She wears a tall, ornate crown (mukuta) with a central jewel. Her face is partially obscured by the high contrast, but her features are discernible. She is wearing a necklace (malika) and a large, ornate earring (phalaka). Her right hand is raised, holding a long, thin staff or scepter (danda) that extends towards the top right corner of the frame. The background is dark and indistinct. The overall effect is dramatic and iconic.

Alan Opie and Anne Collins

Leonard Price

garded to precision and ensemble, but also allows the singers rather more latitude than she has sometimes permitted them in the past; they do not abuse the freedom, and neither does the orchestra nor the chorus.

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ELIZABETH FORBES

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Monday October 9 1978

Brighton via Blackpool

WHATEVER ELSE may be the first is that the said about the Labour Party Conference in Blackpool last week, at least it faced, even if it did not resolve, the central questions of incomes policy and inflation. Resolution was perhaps impossible, but it would be a mistake to assume that Mr. James Callaghan, the Prime Minister, has returned from the seaside a totally defeated man.

Indeed there was one sense in which the conference achieved a result beyond its wildest nightmares. The 5 per cent pay policy was rejected by a majority of more than two to one, but Mr. Callaghan's determination to keep down the rate of inflation apparently lives on and may even have become stronger.

Monetarism

The Prime Minister told the conference on Tuesday—and repeated the message on television later in the week—that if the five per cent policy is broken and inflation begins to rise in consequence, the Government "will take offsetting action... through monetary and fiscal measures." Least there is any doubt about what that means, he went on to spell it out in his Blackpool speech. A decision to reduce the level of monetary expansion, he said, "will have an impact on companies' liquidity—indirect, but obvious, but it will be there. It will have an impact on the level of wages they can pay. It will have an impact on the number of employees they can take on their books, or keep on their books."

It is less than clear how far those words have sunk in. Even among those trades union leaders who may have understood them, there is a tendency to believe that Mr. Callaghan will neither wish nor dare to put such a policy into effect. All the available evidence, however, suggests that he means what he says. The Prime Minister's number one priority now is to control the rate of inflation, even if it means adopting the policies advocated by Sir Keith Joseph and seeing unemployment rise as a result.

Eyes left in Sweden

SWEDEN'S experiment with non-Socialist government, for the first time in almost half a century, looks as if it has failed. With last week's resignation of Mr. Thorbjörn Fälldin, after two years as Prime Minister, the stage has been set for a return to power by the Social Democrats led by Mr. Olof Palme. But Mr. Palme will probably have to wait awhile for his moment of triumph. The Social Democrats are short of an overall parliamentary majority, and elections are not due for another 11 months. The immediate prospect is a period of minority government by the two other non-Socialist parties, the Moderates (conservative) and Liberals, short of Mr. Fälldin's Centre. With the Social Democrats riding high in the opinion polls, none of the non-Socialist parties wants an early election. Mr. Palme's chance was then when next September when an election has to be held under the country's rule that governments must seek new mandates every three years.

Energy

The non-Socialist coalition always contained the seeds of its own destruction. Mr. Fälldin was swept to power two years ago on a wave of opposition to Sweden's expanding nuclear energy programme, one of the most advanced in the world. But his two coalition partners had never hidden their support for the programme and it was always clear that the moment of truth could not be indefinitely delayed.

Yet the non-Socialist coalition was always an unhappy one. The three parties are all committed to dismantling parts of the socialist state built up over the last 44 years, but their priorities are different. The Moderates want to go further than the others in reforming the tax system, while the Liberals attach more importance to the welfare state. Among the Liberals there are many who feel that the party should be supporting, and trying to have not managed to convince influence, a coalition with the majority of Swedes of the Social Democrats, along the lines of the SPD-FDP alliance government.

Economic problem

The problem is partly psychological. The non-Socialists are terrified of pursuing policies that could be portrayed as undermining the famous Swedish welfare state. It is also economic. The coalition came to power just as the worst consequences of recession and changing international trade patterns were attacking the country's industrial foundations. The non-Socialists have not had the room to manoeuvre that they needed if they were to change Sweden's political course. They have felt it necessary to concentrate on saving the welfare state and jobs without the luxury of introducing radically new policies. They are supporting, and trying to have not managed to convince influence, a coalition with the majority of Swedes of the Social Democrats, along the lines of the SPD-FDP alliance government.

The Stock Exchange prepares to defend its rule book

BY NICHOLAS COLCHESTER and RICHARD LAMBERT



Mr. Nicholas Goodison, Chairman of the Stock Exchange

THE COUNT-DOWN TO THE COURT

1973—The Fair Trading Act includes a provision for the registration of restrictive practices in the service sector.

1974—The Restrictive Trade Practices Legislation is formally changed to make registration of such practices in the service industry necessary.

1977 April—The Stock Exchange Rule Book, which defines how British securities are listed and traded, is registered with the Office of Fair Trading.

1977/1978—The OFT spends 18 months considering this rule book in an exploratory stage. The Stock Exchange undertakes to make its attitude plain by the end of October. If it then refuses to abandon its rules, and fails to avoid or delay the process, an appearance before the Restrictive Practices Court becomes inevitable and the rest of this time table is triggered.

1978 November/December—The Stock Exchange gets together with the OFT to decide the programme of the investigation.

1979 Spring—The Stock Exchange's lawyers explain to the OFT the broad outlines of the SE's defence.

1979 Summer—The OFT replies in general terms.

1979 Summer—Autumn 1980—The two sides exchange increasingly involved arguments going into the SE's affairs in detail: the probability of its membership, its role in the economy, the effect of changing the rule book on the primary and secondary markets for securities.

1980 October—March 1981—A Restrictive Practices Court hearing begins, which could last between 8 and 10 weeks. The proceedings become formally "public" for the first time. Both sides call witnesses from among City experts and market users. The case is tried by a judge together with a panel of assessors chosen by the Lord Chancellor.



Mr. Gordon Borrie, Director General of Fair Trading

quality of securities quoted on the Exchange. The rest of the restrictions are rather loosely connected "club rules," some patently obsolete, through which the Exchange controls the activities of its membership.

The nub of the Stock Exchange's arguments in defending these rules is that they are the necessary ingredients of self-regulation. It claims that the four pillars of a self-regulated market are: single capacity—to ensure that the investor pays a fair Stock Exchange price for securities; the listing requirement—to preserve the quality of securities; a "compensation fund"—to protect the investor from the collapse of a member firm; and fixed commissions—to preserve single capacity and the compensation fund.

Not found in other markets

The first pillar is a refinement which the investor will not find in other major stock markets, nor, indeed, in most other areas of buying and selling. The public is normally encouraged to ask prices, and advice from salesmen with vested interests in the form of inventory. Not so on the Stock Exchange. Here the public is forced to employ an agent to act for it.

The importance of this to self-regulation is less than that investor gets a professionally negotiated price than that his order is channelled willy-nilly to the Stock Exchange. Though the jobber/broker rules the SE remains the one and only the Exchange monitors the

"voluntary" standards adopted by members and applied to securities become, in effect, binding. A diffuse market, the Exchange argues, cannot be self-regulated.

The second and third pillars, the listing requirement and the compensation fund, need no explanation. The fourth—minimum commissions—needs some elegant argument from the SE to bind them inextricably to self-regulation. The basic thrust of this is that experience has shown that single capacity is unenforceable unless agency fees are fixed. Jobbers could effectively deal with the public by paying brokers nominal fees to pass bargains through. In addition, there is the argument that the compensation fund would be unworkable if brokers were entitled to "price themselves out of business."

This is the basis of the SE's defence. Its worry in facing up to the OFT is that, however plausible the case sounds and however widespread its public support, the case is not defensible unless it conforms to the "gateways" laid down under the law. As with a mincing machine, in whatever shape the Stock Exchange enters the OFT process, its final shape will be defined by the holes.

The Restrictive Practices Court has never examined a service industry so exact precedents are non-existent. Three of the gateways appear well designed for the SE to squeeze through. The first is that "the restriction is reasonably necessary to protect the public against injury." The second is that "the removal of the restriction would deny to the public as

that a system of "group negotiation" of these Commission rates will be established. The SE might use the newly established Council for the Securities Industry as a forum in which the SE and its users agreed on a fair scale of commissions. Prices would not be individually negotiated, but at least they would be fixed with the approval of all groups.

The rule book of the Stock Exchange is being slimmed down to pocket-book size, and something that now looks like a telephone directory. The revised version should be ready next spring. It will drop a number of rules that are obsolete or almost never applied. The rules governing the dissemination of member firms, and in particular the activity of members in foreign securities markets whose ways are different to those of the SE, will almost certainly be abandoned. It is not only the OFT that is providing impulse for such changes. The Stock Exchange's ways are threatened more sidiously by the hard facts of business life. Various factors, but foremost among them the rise in the power of investing institutions, have made making in the securities of British industry a less attractive business. Jobbers can only do it today because they are sustained by the Gilt market. By the fruits of diversification. Today the British securities market place has only a handful of stalls, a disproportionate number of agents, and a dwindling number of customers.

Viewed in this rather gloomy light the OFT presents the management of the SE with an opportunity as well as a threat. In normal times the process of change is slowed by the need to establish a consensus within a Council whose members make their profits in a variety of traditional ways. Constraints by, but also cocooned within the ring of Foreign Exchange Controls, the Exchange has been unable to sustain itself as the international service business it once was. The challenge from the OFT presents the management with a chance of making this club a little more capable of ensuring its own long term future.

External pressures may ultimately force a change in the Stock Exchange's dealing system. But what the Exchange's management most fears is the automatic, competition orientated bias of the Restrictive Trade Practices Act will force the Exchange to abandon its current system of trading suddenly and without any consideration of what should follow it. The consequence could be not only a painful interlude for the Stock Exchange's membership, but merely a dislocation of the way in which industry and government raise funds, but also the collapse of the system which keeps the whole fraud-prone business on the straight and narrow.

MEN AND MATTERS

Gentlemen at arms

"Cheer up! Labour can't hang on for ever," was the message which greeted Labour delegates who strolled along the promenade last week. The Tories had decided that the Labour conference was the ideal occasion to launch their latest political poster in all its 48-sheet-size glory. It was, they tell me, "only a very gentlemanly dig."

Their earlier poster on unemployment had led to some counter-offers in Blackpool saying "Labour isn't working, the Tories never will." When I asked the Conservative Central Office how they reacted to this imputation of idleness the reply was a bland: "Rather amusing." The Tories felt that such posters only served to underline their original point and commented that there was no need to cap it. Did the Conservatives not fear a counter-attack in Brighton next week? "If they have anything to say, that would be wonderful. We would love to hear it," the Conservatives said, as urbane as ever. But this seems unlikely. When I asked the Labour Party if there would be a round two in this battle of the conferences I was merely told: "What a good idea. We will certainly consider it. Do you have any suggestions?"

For old times' sake

The Lord President of the Council has had a rough Press from the Left following his setting the stage for the Prime Minister's fresh demands for pay policy. The New Statesman contented itself with running excerpts from Michael Foot's speech to the Labour conference of 1968. "Unemployment, then 500,000, was 'intolerable' and real socialist alternatives essential. The Statesman felt no comment was necessary.



Cautionary tale

And now a voice from across the sands. Writers in the West have been ignoring the growing sense of frustration in the Middle East over the "cavalier" treatment of foreign exchange problems. So the magazine *Dixons* Wal-Alam, published monthly by the Ministry of Finance and Petroleum in the state of Qatar, tells us this month, adding that Western writers often speak as much on behalf of establishment opinion in their own countries as do the writers in totalitarian countries of the Eastern bloc.

The magazine "does not necessarily represent the opinion of the Ministry" but it is particularly aggrieved about two points not often aired in the West. The first is the way that West German finance ministry officials have been openly saying that a decline in the dollar is not so bad as it reduces America's real oil import bill but "completely disregards the fact that it is also cutting the revenues of the oil producing states in real terms."

Watch out, the magazine writes, the way world trade and the dollar's strength are going it may soon be impossible to distinguish between a hawk and a dove.

You have been warned.

Medical militance

The British Medical Association, founded in 1832 and still going strong, is now taking one of the more radical steps in its history, that of appointing doctors' "shop stewards". Of course, as befits the cautious guardian of our doctors, these new appointees will not have any such name. Instead POWARs is what they are to be called, an acronym for Place of Work Accredited Representatives. Letters have now gone out to the BMA's local divisions asking for these to be appointed.

The BMA has been under some pressure recently. Doctors tell me that there is increasing discontent, standards of pay and work and in particular at the competition which today's doctors will face from the large numbers of doctors who will be completing their training in about five years' time. One result of the report by the Todd Committee in the mid-1960s has been an expansion of training facilities.

Toni Thistlethwaite, a spokesman for the BMA, denied that the number of doctors joining more active unions than the BMA was increasing, but explained that the idea of POWARs was to give the regional committees which now represent doctors a stronger base. He told me that doctors tended to look on the strike weapon much as they viewed the atom bomb. When I asked him about the "tactical nuclear weapon" under discussion in some hospitals of doctors resigning en masse from the National Health Service and then all offering themselves as locums—at higher rates—to hospitals, he said that this had only so far been used in very few cases.

Thistlethwaite in fact argues that the POWARs would help prevent the emergence of the misunderstandings which lead to strikes and would "dampen down and mitigate such tendencies." He sees these permanent officials as increasingly necessary now that there is a growing tendency towards negotiating "work-load sensitive contracts." In the BMA's meeting last year at Glasgow he told me that the mood had been militant and it seems to remain so, particularly among the junior seniors who find themselves earning less than the senior juniors. Which seems to spell more power to the POWAR.

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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF
INTERNATIONAL BOND DEALERS

At 29th SEPTEMBER, 1978

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month: there is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 150 institutions from about 27 countries.

A key to the table is published opposite.

Eurobonds in September

BY FRANCIS GHILES

September 1978 could well turn out to be the slackest trading month the Eurodollar sector has witnessed this year: prices have weakened but there has not been the slightest sign of panic. Considering the bad news on the U.S. interest and currency front, the market's reaction has been very calm and the fall in prices very moderate.

Federal Fund rates reached the 8½ per cent level at the end of September and were set to rise higher. Short term U.S. interest rates have continued to climb. The U.S. prime rate is now expected by most dealers to top the 10 per cent mark this month. The feeling in the market contrasts sharply with that of one month ago when many dealers thought interest rates had peaked out and the dollar would stabilise. This has not been the case: the pessimists have been proved right and it is not President Carter's remark to the effect that interest rates were "too high" and that he would "hate to see them go higher" which is going to carry the conviction of the market.

The attraction of holding dollar denomi-

nated bonds remains slim but then the attraction of issuing new ones is equally questionable.

The result is one of precarious equilibrium: despite the corrections in prices of the past two or three weeks, the yield on long maturity dollar bonds was still only 9.5 per cent at the end of September compared with a six month Eurodollar rate of 10 per cent.

With one or two exceptions, new issues this month have taken the form of convertible bonds or floating rate notes. One of these, for the Bank of Tokyo was of particular interest in that it focused attention on the delicate question of commissions. The selling group commission was the usual 1½ per cent but both the management and the underwriting fees were reduced from 4 per cent, the norm to 3 per cent, thus making a grand total of 2½ per cent.

Some Continental banks refused to come into the management group on the grounds that for such a small issue and for such a borrower, a cut in fees was unwarranted. The lead manager, S. G. Warburg, argued, however, that this borrower was a prime name and that the

amount of the issue should not be a decisive factor in deciding the level of fees.

With the dollar weakening and few new dollar denominated issues being floated, it comes as no surprise that the DM sector had a good month. Prices have moved sharply up, as has the volume of new issues. Japanese convertibles were definitely the star performers in after-market.

At the beginning of September, the fall in the domestic interest rate in Germany, when everybody was expecting a rise, helped the bond market. Later on the weakness of the dollar gave it a further boost and by the end of September Swiss investors were back buying in force for the first time in some months. The result was predictable, with a number of issues moving to a premium in the secondary market. The calendar of new issues is due to be discussed at this week's meeting of the Capital Markets sub-committee and nobody would be surprised by a further increase in the volume of new issues for October–November.

There is already talk of a DM150m convertible for the Sharp Corporation next month which, if confirmed would represent one of the biggest convertibles ever for a Japanese company in the DM sector, a further confirmation of how buoyant this particular corner of the market is today.

The French franc sector reopened after a two-and-a-half year closing period: the reaction to the first issue to be floated, a FFr 200m for EIB managed by Credit Commercial de France was at first mixed.

The issue went to a discount in the after-market but by last weekend the price had recovered: the bonds which had been off-loaded into the secondary market the week before last were easily placed and demand, especially from outside France, appears to have been good. Critics of the issue argued that the maturity was too long (10 years) and the terms too tight which was perhaps inevitable as the EIB is known to insist on very tight terms.

The lead manager was also unlucky in that the French franc weakened the very week the issue was announced and interest rates on the Eurofranc moved up appreciably.

Some Paris bankers would have liked to see the sector reopened much earlier in the year but failed to convince the Ministère des Finances of their case. The delay before the market was reopened thus dragged on and ill fortune struck. However, the issue is a long way from being a disaster: it was being quoted at 98-98½ last Friday, which is a very honourable level. Other issues can be expected in the months to come but probably at no faster rate than at the rate of one every four weeks or so.

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The table of quotations and yields gives the latest rates available on 29th September, 1978. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.



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30.00	1987	100.00	ATLANTIC COAST 6.675/1/1 6.438 240 7/1983 1/1	99 1/4	5.48	10.26	100.00	30C	1982	10.26	SP	417	10.26
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 5.000 222 8/1983 1/1	99 5/8	5.36	8.03	100.00	30C	1982	8.03	PO	405	8.03
25.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.988 222 8/1983 1/1	97 1/4	4.84	9.64	100.00	30C	1982	9.64	SP	516 210 220 914	9.64
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.975 217 7/1983 1/1	98	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.960 217 7/1983 1/1	98 1/8	5.07	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.945 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.930 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
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30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.885 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.870 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.855 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.840 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
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30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.810 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.795 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.780 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.765 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
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30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.690 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.675 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.660 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.645 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.630 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.615 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.600 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.585 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.570 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.555 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.540 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.525 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.510 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.495 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.480 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.465 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.450 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.435 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.420 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.405 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.390 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.375 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.360 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.345 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.330 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.315 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.300 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.285 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.270 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.255 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.240 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.225 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.210 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.195 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.180 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.165 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.150 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.135 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.120 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.105 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.090 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.075 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.060 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.045 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.030 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.015 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 4.000 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 3.985 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 3.970 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 3.955 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83
30.00	1987	100.00	AMERICAN BANC 5.111/1/1 3.940 217 7/1983 1/1	98 1/8	5.08	8.83	100.00	30C	1982	8.83	SP	408	8.83

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FUNDS
in their portfolios
Sept., 1978

BANQUE GENERALE Du LUXEMBOURG**BANQUE GENERALE Du LUXEMBOURG**

COUNTRY TRAIL - NEWCASTLE										
30.00	1964	JACO			27	7/8	6.02	7.81	129	82.76
30.00	1960		4.75	1/ 1/1969	32				102.50	39
22.00	1969	ALDO BASS			27	1/8	5.01	-01	39	-18.16
25.00	1969		5.00	1/ 1/1969	27	1/8	5.01	-01	39	-18.16
23.00	1977	EMMA			12	1/2	5.17	4.95	-04	-1.74
23.00	1960		7.25	1/6/1962	12	1/2	5.17	4.95	-04	-1.74
15.00	1966	CLIFF BARBERS			39		6.04	7.21	103.50	37.78
30.00	1960		5.25	1/ 1/1969	39		6.04	7.21	103.50	37.78
16.00	1964	RODNEY PERS			8	1/4	6.09	7.35	101	56.77
36.00	1960		5.25	1/ 1/1968	38				100.00	19.78
20.00	1964	EMMA			119	1/2	4.91	3.27	-07	-3.21
20.00	1964	EMMA			119	1/2	4.91	3.27	-07	-3.21

10-69	100.00	3873	\$7,771.68	183	4891	101.00	1768	1975	
10-69	100.00	-5555	VINCENTE SANTANA	0-1	7/4	563	00	30	-125
10-69	100.00	4808	SALES OF LAND	0-1	563	100.00	1278	1074	

DILLON, READ
SEAS CORPORATION

Telex 881 1055

Names	Close at 6/10/78
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HONDA	\$26½
ITO YOKADO	\$99
JUSCO	\$60½
KOMATSU FORKLIFT	\$3.71
KUBOTA	\$31
MURATA	\$4.95
NIPPON MEAT PACKERS	\$3.26
PIONEER	\$16½
RENOWN	\$3.71
SONY	\$7.85
TAISHO MARINE	\$11½
TDK	\$11
TOKYO SANYO	\$1.72
TRIO	\$34½
WACOAL	\$24½

All Yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on \$ floating rate bonds is calculated as coupon/price.

13. OTHER NOTES
The amounts shown as remaining outstanding are estimated by analyzing the cash flows of the notes.

Market Makers in Floating Rate Note Issues

Interest rates applicable in the issues listed below will be announced during October.

Banco Union	1983
Societe Generale	1984
Sundsvallsbanken	1985
Softe	1983
G.Z.B.	1983
Costa Rica	1985
B.C.I.	1981
I.M.D.B.I.	1984
Ege Nat D'Algerie	1982
O.K.B.	1988/03
Bank of Tobyn	1993
American Express	1983/85
Bank of Tokyo	1981
Int'l Westminster	1984
Union Bank of Finland	1982
B.F.C.E.	1987
Bozarskadska Banka	1983
I.H.L.	1985

56-60 New Broad Street, London EC2.
Dealers' Telephone: 588 6301-5. Telex: 883442

BTI

units where a non-cumulative option to double sinking fu
ments has been exercised.
his are calculated in accordance with Rule 803 of Statut
Recommendations of the ATBD using compou
erest throughout. Relative yields are not shown.
maturity, average life and first call yields are adjusted to
day annual rate.
ids to next call are shown on the basis that the borrower giv
that he wishes to call the bond as soon as possible after t
of publication of relative yields.
ids on Unit of Account bonds are computed by adjusting t
estment proceeds for the changes in relative values of t
encies comprising the new and old unit of account formul

The following Tombstone announcements were published in the Financial Times during September

BONDS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
1/9/78	1/9/78	Aug. 78	14/9/78	Aug. 78	21/9/78
THE REPUBLIC OF PANAMA		DOW BANKING CORPORATION		IMATRAN VOIMA OSAKEYHTO	
US\$70,000,000		SFR 50,000,000		Y 10,000,000	
Floating Rate Serial Notes due 1990		3 1/2% Bonds of 1976/1983		Y notes due 1983	
Dillon, Read Overseas Corp. and others		Union Bank of Switzerland and others		Daiwa Securities Co. Ltd. and others	
OFFSHORE MINING CO. LTD.	5/9/78	COMMONWEALTH OF AUSTRALIA	15/9/78	A/S EKSPORTFINANS	22/9/78
US\$100,000,000		\$175,000,000		US\$50,000,000	
Guaranteed Floating Rate Notes due 1988		5 year 8.45% Bonds due 1983		9% notes due 1986	
S. G. Warburg & Co. Ltd. and others		15 year 9 1/2% Bonds due 1993		Citicorp Int. Group and others	26/9/78
6/9/78	6/9/78	Morgan Stanley & Co. Inc. and others		SONATRACH	
A/S EDSPORTFINANS				Bahrain Dinar 8,000,000	
US\$50,000,000				8 1/2% Guaranteed Notes 1978/1988	
9 1/2% Notes due 1986				Gulf Int. Bank B.S.C. and others	
Citicorp Int. Bank Ltd. and others				EXPRESA NACIONAL DEL PETROLEO S.A.	27/9/78
Aug. 78	6/9/78	BANQUE DE L'INDOCHINE ET DE SUEZ		US\$25,000,000	
EXPORT DEVELOPMENT CORPORATION		US\$40,000,000		Floating Rate Notes Due 1988	
US\$15,000,000		Bank of Indochine et de Suez and others		European Banking Co. Ltd. and others	
8.80% Notes due 1983					
Salomon Brothers and others					
6/9/78	6/9/78	EUROPEAN INVESTMENT BANK	19/9/78	PHILIP MORRIS INC.	27/9/78
DM 150,000,000		US\$100,000,000		\$200,000,000	
6% DM Bearer Bonds of 1975/1988		9 1/2% bonds due 1983		8.65% Notes due 1984	
Deutsche Bank Aktiengesellschaft and others		Societe Generale and others		Goldman Sachs & Co. and others	27/9/78
Aug. 78	8/9/78	EUROPEAN INVESTMENT BANK	20/9/78	THE TOYO RUBBER INDUSTRY CO. LTD.	
SVERIGES INVESTERINGS BANK AB		DM 300,000,000		DM 30,000,000	
Luxembourg Fr. 500,000,000		6% DM bearer bonds due 1990		5 1/2% Bearer Bonds of 1973/1983	
8% Bonds due 1988		Deutsche Bank Aktiengesellschaft and others		Commerzbank Aktiengesellschaft and others	
Kreditbank S.A. Luxembourgise and others				ASAHI OPTICAL CO. LTD.	27/9/78
12/9/78	12/9/78	SUNDVALLS BANKEN	20/9/78	DM 50,000,000	
TRIO-KENWOOD CORPORATION		US\$20,000,000		2 1/2% Convertible Bonds due 1987	
DM 40,000,000		Floating Rate Capital Notes Due 1985		Westdeutsche Landesbank Girozentrale and others	28/9/78
3 1/2% DM convertible Bonds of 1978/1986		Credit Suisse First Boston Ltd. and others		PETROBRAS	
Deutsche Bank Aktiengesellschaft and others				7% Bonds due 1988	
13/9/78	13/9/78	THE COPENHAGEN COUNTRY AUTHORITY	20/9/78	Westdeutsche Landesbank Girozentrale and others	
COMMONWEALTH OF AUSTRALIA		US\$25,000,000		EUROPEAN INVESTMENT BANK	29/9/78
DM 350,000,000		Private Placing		US\$100,000,000	
6% DM Bearer Bonds of 1973/1988		9 1/2% Dollar Notes due 1990		DM 50,000,000	
Deutsche Bank Aktiengesellschaft and others		Daiwa Europe N.V. and others		The Nikko Securities Co. Ltd. and others	

LOANS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
July 78	1/9/78	Sept. 78	15/9/78	Aug. 78	21/9/78
GENERAL WAREHOUSE AND COLD STORAGE COMPLEX		NATIONAL PETROCHEMICAL CO. OF IRAN		INTERNATIONAL INVESTMENT BANK MOSCOW	
US\$27,000,000,000		US\$270,000,000		US\$500,000,000	
Medium Term Loan		Medium Term Credit Facility		Loan due 1988	
The First National Bank of Boston Ltd. and others		Iran Overseas Investment Bank Ltd. and others		Dresdner Bank Aktiengesellschaft and others	
Aug. 78	1/9/78	BANCO NACIONAL DE CREDITO RURAL S.A.	15/9/78	AUTOPISTAS DEL ATLANTICO C.E.S.A.	
ASSI		US\$45,000,000		US\$48,000,000	
Ten year floating rate loan facility		Medium Term Loan		Medium Term Loan	
Pkbanken and others		Bankers Trust International Ltd. and others		Bayerische Landesbank Girozentrale and others	
Aug. 78	1/9/78	PHILIPPINE SINGAPORE PORTS CORP.	15/9/78	FIAT DIESEL BRASIL S.A.	21/9/78
COMISION FEDERAL DE ELECTRICIDAD		US\$50,000,000		US\$40,000,000	
Medium Term Loan		Term Loan		Medium Term Loan	
Westdeutsche Landesbank Girozentrale and others		Arab-Malaysian Development Bank and others		Banco di Roma and others	
AUTOSTRADA	1/9/78	LANDOIL RESOURCES CORP.	15/9/78	COMISION TECNICA	22/9/78
US\$50,000,000		US\$10,000,000		MDTA DE SAO GRANDE	
Five-Year Term Loan		Term Loan		US\$100,000,000	
Ultrafin AG and others		Arab-Malaysian Development Bank and others		Medium Term Loan	
29/9/78	4/9/78	THE ELECTRICITY COUNCIL	15/9/78	HYDROCARBONS BANK LTD.	25/9/78
COMMONWEALTH OF AUSTRALIA		US\$500,000,000		US\$200,000,000	
Fixed Rate Term Loan 1978/1983		The Sumitomo Bank Ltd. and others		Floating Rate Loan	
Algemeine Bank Nederland N.V. and others		Credit Facility		The Sumitomo Bank Ltd. and others	
4/8/78	5/9/78	OFFSHORE MINING CO. LTD.	15/9/78	REPUBLIC OF PANAMA	28/9/78
US\$350,000,000		Medium Term Loan		US\$300,000,000	
Citicorp International Group and others		NORSK HYDRO A.S.	19/9/78	Medium Term Loan	
Aug. 78	5/9/78	THE KINGDOM OF MOROCCO	15/9/78	EUROPEAN BANKING CO. LTD. and others	
US\$300,000,000		Medium Term Loan		US\$300,000,000	
Bank America International Group and others		CAISSE CENTRALE DE COOPERATION ECONOMIQUE	5/9/78	Medium Term Loan	
July 78	5/9/78	COOPERATION ECONOMIQUE		DM 100,000,000	
US\$100,000,000		Term Loan		Nederlandsche Middenstandsbank NV and others	
Aug. 78	6/9/78	OFFICE CHERIFIEN DES PHOSPHATES	15/9/78	REPUBLIC OF PORTUGAL	7/9/78
US\$300,000,000		Medium Term Loan		US\$300,000,000	
Abu Dhabi Investment Co. and others		AMER BANK LTD. and others		Medium Term Loan	
Aug. 78	8/9/78	REPUBLIC OF PORTUGAL	15/9/78	US\$100,000,000	
US\$300,000,000		Medium Term Loan		MEKREZ BANKASI	
Abu Dhabi Investment Co. and others		NUCLEBRAS	12/9/78	US\$100,000,000	
Aug. 78	12/9/78	NUCLEBRAS		12 year loan	
US\$100,000,000		Westdeutsche Landesbank Girozentrale and others		EURODOLLAR LOAN	
Aug. 78	13/9/78	BANCA CATALANA	15/9/78	EURODOLLAR LOAN	
US\$20,000,000		Medium Term Loan		Chase Manhattan Ltd. and others	
Interunion-Bank and others		HELENIC AEROSPACE	21/9/78	EURODOLLAR LOAN	
Aug. 78	13/9/78	HELENIC AEROSPACE		EURODOLLAR LOAN	
US\$30,000,000		Medium Term Loan		Chase Manhattan Ltd. and others	
Project Financing		EURODOLLAR LOAN		EURODOLLAR LOAN	
US\$27,000,000		EURODOLLAR LOAN		EURODOLLAR LOAN	
US\$8,000,000		EURODOLLAR LOAN		EURODOLLAR LOAN	
medium term loan		EURODOLLAR LOAN		EURODOLLAR LOAN	
Lazard Brothers & Co. Ltd.		EURODOLLAR LOAN		EURODOLLAR LOAN	

OTHERS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
4/7/78	1/9/78	3/5/78	12/9/78	Sept. 14	18/9/78
ENNIA N.V.		THE REPUBLIC OF GABON		BENEFICIAL CORPORATION	
Flux 250,000,000 1978-1983		US\$80,000,000		\$10,000,000	
Private Placement		Project Financing Facility		Ten Year Currency Exchange Agreement	
Kreditbank S.A. Luxembourgise		Citicorp Int. Bank Ltd. and others		Blyth Eastman Dillon & Co.	
18/7/78	1/9/78	6/9/78	13/9/78	19/9/78	20/9/78
B.A.T. INTERNATIONAL FINANCE LTD.		TEXAS INTERNATIONAL AIRLINES FINANCE N.V.		CASIO COMPUTER CO. LTD.	
Flux 250,000,000 1978-1988		US\$25,000,000		DM 40,000,000	
Private Placement		7 1/2% Convertible sub. Debs. due 1988		2 1/2% Convertible Debs. due 1985	
Kreditbank S.A. Luxembourgise and others		Smith Barney, Harris Upham & Co. Inc. and others		Dresdner Bank Aktiengesellschaft and others	
Aug. 78	5/9/78	Aug. 78	13/9/78	PROVINCE OF SASKATCHEWAN	25/9/78
PROVINCE DE QUEBEC		INVESTICIONA BANKA		Can.\$75,000,000	
US\$500,000,000		TIPOGRADUDRUZENA BANKA		8 1/2% Debs.	
Ten Year Credit Facility		US\$30,000,000		Dominion Securities Ltd. and others	
Orion Bank Ltd. and others		Project Related Term Loan		TOFFE	26/9/78
7/9/78	7/9/78	Bank America International Group		CELLULOSEFABRIKK A/S & CO.	
WESTBURN PETROLEUM SERVICES LTD.		SAMER	14/9/78	DMs 75,000,000	
US\$50,000,000		Saudi Riyals 35,000,000		due 1984/1988	
Senior Notes Due 1993		Guarantee Facilities		Private Placement	
Private Placement		Al Saudi Banque		Algemeine Bank Nederland N.V. and others	
Lehman Brothers Kuhn Loeb Inc.		Sept. 78	15/9/78	BRAVO	28/9/78
Aug. 78	7/9/78	METRO-GOLDWYN-MAYER INC.		800,000 Shares	
MEMOREX CORPORATION		US\$49.125 per share		Common Stock	
1,289,536 shares		Common Stock		Lehman Brothers Kuhn Loeb and others	
Common Stock		Swiss Bank Corporation Ltd. and others		THE SOUTH AFRICAN BREWERIES LTD.	29/9/78
Lehman Brothers Kuhn Loeb Inc. and others		Aug. 16	15/9/78	50,000,000	
May 78	8/9/78	A G & P		11 1/2% Unsecured Debs. 1984/1988	
CANDEL OIL LTD.		Saudi Riyals 169,000,000		Private Placement	
US\$35,000,000		Syndicated Standby Guarantee Facility		STANLEY ELECTRIC CO. LTD.	29/9/78
Buchan Field Development Finance		Credit Suisse First Boston and others		DM 40,000,000	
Int. Energy Bank Ltd. and Canadian Imperial Bank of Commerce				2 1/2% Convertible Debs 1978/1985	
Sept. 78	11/9/78			Dresdner Bank Aktiengesellschaft and others.	
THE BRITISH ALUMINIUM CO. LTD.					
5,808,370 Ordinary Stock Units					
Cazenove & Co. and others					

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D - mandatory drawing by lot at par S - sinking fund
ADELA 76/83	105.85	7.56	4.50	6.45	1.483
ADELA 77/82P	101.00	7.18	3.71	6.92	16.882
ADELA 77/82P	100.50	6.97	3.84	6.84	1.882
AEG 66/81	102.50	5.85	1.32	4.00	1.272-81D
Airport Paris 69/84P (G)	101.00	6.44	2.83	6.09	1.375-84D
AKZO 75/82P	107.00	8.41	3.34	6.57	1.282
AKZO 76/83P	103.00	7.52	4.67	6.96	1.683
AKZO 78/84P	101.50	5.91	5.50	5.67	1.484
Alusuisse Int'l. 75/83	108.25	7.62	3.82	5.77	1.881-83D
AMEX Int'l. 77/84P	106.50	6.68	3.55	5.56	1.284
ARBEID 74/81 (G)	106.50	9.36	2.15	6.63	1.277-81D
ARBEID Finance 77/87	103.00	5.52	5.09	7.02	1.113
ARBEID Finance 77/87	101.85	6.63	8.67	6.46	1.683-87S
Ardal-Sunddal 75/81P	104.25	8.39	2.75	6.98	1.781
Ardal-Sunddal 77/89P	101.25	6.67	7.09	6.52	1.782-89D
Argentine 67/79	101.70	6.69	1.17	5.44	1.1270-79S
Argentine 69/79	102.75	7.79	1.17	5.60	1.1272-79S
Argentine 77/84	104.35	7.19	6.00	6.80	1.1084
Argentine 78/85	99.30	6.55	6.42	6.63	1.385
Asian Dev. Bk. 68/84	102.75	6.31	3.33	6.17	1.975-84S
Asian Dev. Bk. 75/80P	105.00	8.10	2.13	5.99	16.1180D
Asian Dev. Bk. 76/82P	106.00	7.55	4.50	5.98	1.282
Asian Dev. Bk. 76/83P	106.75	7.55	4.50	5.98	1.483
Asian Dev. Bk. 77/85	103.90	6.74	5.00	6.24	1.485
Asian Dev. Bk. 78/86	96.75	5.68	9.59	5.95	1.583
ASKO 75/80P	104.75	9.07	1.50	6.05	1.480
Aumar 73/88 (G)	103.75	7.23	4.57	6.44	1.279-88D
Aumar 76/84 (G)	107.25	8.39	3.28	6.47	15.877-84S
Aumar 77/84 (G)	107.75	7.40	5.75	6.72	1.784
Australia 67/82	103.80	6.26	2.56	4.88	1.1173-82S
Australia 68/83	103.80	6.26	2.56	4.88	1.1173-82S
Australia 69/84	104.50	6.22	2.77	4.80	1.275-84S
Australia 69/84	105.60	6.37	3.51	5.55	1.1175-84S
Australia 72/87	105.50	6.64	4.35	5.53	1.278-87S
Australia 74/80	110.15	9.08	2.00	4.58	1.1080
Australia 75/82	114.00	7.89	3.34	4.38	1.282
Australia 75/82 IP	108.00	7.61	3.50	5.65	1.482
Australia 75/82 IP	107.00	7.61	3.50	5.65	1.582
Australia 75/83	109.50	6.82	4.42	4.80	1.383
Australia 75/83	102.75	5.11	4.00	4.48	1.1082
Australia 77/82P	101.80	5.65	9.44	5.50	1.1185-89S
Australia 78/88	101.15	5.93	9.92	5.84	1.938
Austr. Ind. Dev. Corp. 72/87	102.50	6.59	4.89	6.14	1.1178-87D
Austr. Ship. Cam. 76/83P (G)	105.00	7.62	4.92	6.77	1.983
Rep. of Austria 68/82	106.00	6.80	1.98	4.72	1.473-82S
Rep. of Austria 69/83	103.75	6.25	2.45	4.92	1.775-83S
Rep. of Austria 74/79P	103.00	9.22	0.75	5.27	1.779
Rep. of Austria 74/80P	109.00	8.94	2.09	5.08	1.1180
Rep. of Austria 74/81P	111.20	8.78	3.17	5.83	1.1201
Rep. of Austria 75/80P	105.25	9.03	1.34	5.28	1.280
Rep. of Austria 75/81P	106.00	7.78	2.67	5.74	1.681
Rep. of Austria 75/82P	104.00	8.41	1.96	6.85	1.785-82D
Rep. of Austria 75/83P	104.00	8.41	2.44	6.88	1.479-83D
Rep. of Austria 75/87	109.00	7.80	4.58	6.17	1.578-87S
Rep. of Austria 76/86	109.00	7.11	6.05	5.92	2.583-86S
Rep. of Austria 77/85	105.75	6.38	5.62	5.52	1.483-85S
Rep. of Austria 77/87P	105.00	6.67	6.19	6.00	1.183-87D
Rep. of Austria 77/87P	104.25	6.47	6.28	5.91	1.283-87D
Rep. of Austria 77/87P	100.50	6.00	6.92	6.04	1.284-87D
Rep. of Austria 77/87P	99.30	5.78	7.33	5.86	15.185-88D
Autopistas Catalun. 78/85P	99.75	6.02	3.99	7.04	16.185
Autopistas Espan. 69/84 (G)	103.00	7.04	3.16	6.28	1.773-84S
Autopistas Espan. 71/86 (G)	103.60	7.72	4.32	7.14	1.1077-86P
Autopistas Espan. 72/87 (G)	100.10	6.74	4.24	6.72	1.1078-87D
Autopistas Espan. 73/88	104.75	7.64	4.41	6.85	1.1177-86S
Banco N. Oblas 76/81 (G)	106.60	8.44	2.92	6.44	1.981
Banco N. Oblas 77/82P (G)	101.00	7.16	4.00	6.44	1.882
Banco N. Oblas 77/82P (G)	106.75	9.55	4.04	6.78	16.082
Banco N. Oblas 77/84 (G)	101.10	6.92	6.00	6.77	1.1084
Banco N. Oblas 77/84 (G)	100.70	7.45	5.04	7.33	15.0181-83D
Barclay Nat. Algerie 78/83	100.30	7.23	4.42	7.15	1.383
Barclay Nat. Algerie 78/83P (G)	100.00	8.00	3.88	7.99	15.882
BASF 65/80	102.25	5.87	1.50	4.41	1.1071-80D
BEC Finance 76/83P	103.25	7.26	5.09	6.72	1.1183
Bechemin Fin. 76/83	108.85	7.35	5.09	5.93	1.1183
Bergan 74/79	106.75	9.37	1.17	3.96	1.1279
Bergan 75/85	106.75	9.37	1.17	3.96	1.1279
Bergan 77/89	105.50	6.87	6.14	6.14	1.281-89D
BFCE 75/83 (G)	109.00	7.57	3.73	5.51	1.781-83S
BFCE 76/84 (G)	108.40	7.61	4.73	6.14	1.782-84S
BFCE 77/87 (G)	104.50	7.60	6.28	6.11	1.283-87S
BFCE 78/88 (G)	99.70	5.77	8.27	5.79	15.186-88S
BNDE 77/87	106.10	8.01	5.90	7.18	1.483(82-87)
BNDE 78/86	97.95	6.89	7.42	7.10	1.386
Borregard 75/81P	105.00	8.57	2.59	6.80	1.581
Borregard 77/84P	101.00	6.00	6.00	6.29	1.1084
Brascan Int'l. 73/88	105.50	8.06	5.67	7.28	1.1079-88S
Brazil 72/87	100.60	6.71	4.24	6.58	1.1078-87S
Brazil 76/86	104.80	8.13	5.03	6.91	1.1082(80-86)
Brazil 77/84	100.70	7.40	5.59	6.68	1.584
Brazil 78/85	99.75	6.77	6.34	6.79	1.285
Brenner 68/83 (G)	102.50	6.59	2.78	5.64	1.874-83S
British Petrol 65/80P	100.50	5.47	1.16	5.02	1.874-80D
Bruller-Lambert 77/84P	109.75	8.71	6.21	5.60	15.1284
Burmah Oil 70/83	105.40	8.06	3.93	7.03	1.1176-85D
Canada 78/83P	98.75	4.81	4.64	5.05	20.583
Carlsberg-Tuborg 77/87P	101.50	5.93	9.17	5.78	1.1285-87D
C.C.C.E. 75/85 (G)	108.00	7.87	4.44	6.36	1.481-85D
C.C.C.E. 76/86 (G)	110.00	7.73	6.21	6.48	1.783-86D
C.C.C.E. 77/89 (G)	104.30	6.71	6.68	6.18	1.481-89D
CECA 64/79	102.25	5.38	6.07	2.10	1.668-79D
CECA 65/83	100.75	5.46	2.45	5.15	1.471-83D
CECA 71/82P	104.75	6.33	5.73	5.23	1.782-82D
CECA 72/87	102.75	6.33	4.57	7.79	1.782-87D
CECA 72/88	103.00	6.80	5.05	6.28	2.179-88D
CECA 73/88	102.75	6.33	4.77	5.81	1.479-88D
CECA 73/88	118.00	6.57	5.42	3.99	1.1179-88D
CECA 74/79 IP	104.00	9.62	0.92	5.40	1.979
CECA 74/79 IP	112.00	8.23	2.92	5.40	1.981
CECA 74/81	113.10	8.24	2.92	5.40	1.1281
CECA 75/80P	105.50	7.58	2.17	5.24	1.1280
CECA 75/82P	106.00	8.02	3.42	6.47	1.382
CECA 75/82	109.50	7.31	4.21	5.41	15.1282
CECA 75/85	105.00	8.06	3.38	6.61	1.478-85D
CECA 76/81P	104.75	7.64	3.21	6.30	15.1281
CECA 76/83	109.00	7.11	5.00	5.64	1.1083
CECA 76/83	107.10	7.24	5.66	6.28	1.1083-86D
CECA 78/90	93.65	5.61	9.33	6.16	1.485-90D
CECA 78/90P	98.25	6.11	8.18	6.28	1.883-90D
C.E.D. South Africa 78/82P (G)	99.75	7.77	3.81	7.81	20.782
C.E.D. 73/81P	101.50	6.40	2.50	5.82	1.481
CESP 77/87 (G)	100.50	6.97	6.90	6.90	1.1183(82-87)
Charter Cons. 68/83	100.85	6.45	5.94	6.28	1.1072-83S
Chase Manhattan Ov. 78/84P	105.00	7.18	5.90	6.28	1.785-84S
Chrysler 69/84	102.50	6.83	3.17	6.21	1.775-84S
CIBA-GEIGY ex w. 75/85P	105.00	6.43	7.00	5.86	1.1085
C.N. Autoroutes 69/84 (G)	103.50	6.28	2.85	5.13	1.375-84D
C.N. Autoroutes 76/82 (G)	106.75	8.90	3.29	7.11	16.182

WestLB Euro-Deutschmarkbond Yield Index

September 29, 1978: 6.13% (August 31, 1978: 6.25%)

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D - mandatory drawing by lot at par S - sinking fund
C.N. Energie 69/84P (G)	101.75	6.39	2.75	5.78	1.275-84D
C.N. Telecom. 68/83 (G)	103.75	6.27	3.04	5.13	1.1174-83S
C.N. Telecom. 70/83 (G)	105.25	8.08	3.87	7.05	1.1078-85S
C.N. Telecom. 72/82 (G)	104.15	8.40	3.42	7.31	1.382
C.N. Telecom. 75/83P (G)	104.75	8.83	4.38	7.90	16.283
C.N. Telecom. 75/83P (G)	104.00	8.65	4.38	7.86	16.283
C.N. Telecom. 76/83 (G)	105.85	6.85	4.54	5.74	16.483
Comalco 71/86	104.50	7.42	4.20	6.61	1.677-86S
Com. Fed. Electr. 77/82P	105.25	8.79	3.67	7.54	1.683
Com. Fed. Electr. 77/82P	99.50	7.04	3.92	7.15	1.882
Com. Fed. Electr. 77/82P	104.60	6.65	5.67	6.98	1.684
Com. Fed. Electr. 77/85	101.75	7.13	5.54	6.86	1.1182-85D
Com. Fed. Electr. 78/88	98.20	6.87	7.43	7.06	1.484-88D
Comp. F. Deutsche Bk. 78/83P	98.50	4.44	4.59	4.74	1.583
Comp. Franc. Petr. 75/85	106.34	7.99	4.22	6.70	1.580-85S
Comp. Franc. Petr. 77/84	103.30	6.29	5.75	5.80	1.784
Consorzio 70/91 (G)	106.75	7.96	5.77	7.18	1.771-91D
Continental Oil 70/85	102.40	8.06	0.17	5.51	clid.p.1.1278(102)
Copenhagen 64/84	100.25	5.74	3.63	5.68	15.1270-84D
Copenhagen 68/83	102.75	6.81	2.68	5.98	2.572-83S
Copenhagen 69/84	104.50	6.46	3.10	5.22	1.675-84S
Copenhagen 71/83P	106.00	7.31	4.04	6.15	1.477-86S
Copenhagen 71/83P	105.25	8.79	3.81	7.59	1.380-85D
Copenhagen 76/86	106.60	7.04	6.00	6.15	1.1281-86S
Council of Europe 73/81P	101.25	6.42	2.59	5.94	1.581
Council of Europe 73/88	103.10	6.79	5.00	6.25	1.779-88D
Council of Europe 75/82P	108.00	8.89	3.34	6.72	1.282
Council of Europe 76/83	106.00	8.02	2.28	5.60	1.279-83D
Council of Europe 76/83	106.50	7.28	3.05	5.37	1.580-83D
Council of Europe 76/83	105.00	6.67	5.17	5.85	1.1283
Council of Europe 77/87	100.50	6.22	7.03	6.16	1.1183-87D
Council of Europe 78/86P	100.75	6.20	7.75	6.12	1.786
Council of Europe 78/88	100.05	6.12	7.57	6.11	16.584-88D
Courtaulds Int'l. 72/87	102.00	6.37	5.10	6.02	1.778-87S
Courtaulds Int'l. 73/88P	102.00	7.11	4.57	6.71	1.378-88S
Credit National 77/87 (G)	100.75	5.96	6.95	5.87	1.1083-87S
Credit National 78/83P (G)	101.50	5.67	4.92	5.40	1.983
CVRD 76/84	108.25	8.31	3.61	6.72	1.281(82-84)
CVRD 76/84	107.40	7.91	3.64	6.14	1.1282(83-86)
Daimler-Benz 70/83	106.25	7.53	3.96	6.29	1.1176-85D
Daimler-Benz 70/83	99.25	5.54	4.84	5.68	1.88

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- 4, Rue Gailion
- P 266 20 30 T 210 901
- 225 Banque Louis-Dreyfus
- 205 Banque Nationale de Paris
- 73000 Paris
- 16, Boulevard des Italiens
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- 210 Credit Commercial de France Paris
- 215 Credit Lyonnais
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- P 13621 T 416111
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- 305 Deutsche Bank AG
- 6000 Frankfurt
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- Jungbrosstrasse 5-11
- P 21 41 T 416731-4
- 306 Dresdner Bank AG
- 6000 Frankfurt
- Gallusanlage 7-8
- P 2631 T 414 901
- P 23 08 21 T 41 220

- 307 Westdeutsche Landesbank Girozentrale
- 4000 Düsseldorf Friedrichstrasse 56
- P 326 31 22 T 858 1882
- 309 Creditanstalt Bankverein
- 1010 Vienna
- Schottengasse 6
- P 63692540/1 T 74324
- 310 Girozentrale und Bank
- der Österreichischen Sparkassen AG
- 1011 Vienna
- Schubertstrasse 5
- P 72 94 272/72 94 772 T 13 195

REGION 4 - ITALY

- 405 Banca Commerciale Italiana Milan
- 407 Banco Ambrosiano S.p.A.
- 409 Banco di Roma
- 415 Credito Italiano
- 20123 Milan
- Piazza Cordusio 2
- P 87 17 44/8862 T 25 617
- P 89 01 16

REGION 5 - LUXEMBOURG

- 505 Banque Générale du Luxembourg S.A.
- 510 Banque Internationale à Luxembourg S.A.
- 540 Bayerische Landesbank International S.A.
- Luxembourg
- 25 Boulevard Royal
- P 474021 T 1249 P 475911
- 515 Dewaay Luxembourg S.A.
- 520 Kredietbank S.A. Luxembourgcoise
- Luxembourg
- 43 Boulevard Royal
- P 26411 T 1451
- 530 Swiss Bank Corporation (Luxembourg)

REGION 6 - NETHERLANDS

- 600 H. Albert de Bary & Co. N.V.
- 601 Algemene Bank Nederland N.V.
- 602 Amsterdam-Rotterdam Bank N.V.
- 603 Bank Mees & Hope N.V.
- 604 Barclays Kol & Co. N.V.
- Amsterdam
- Herengracht 500
- P 382 209 T 12 130/13 193
- 611 Centrale Rabobank Utrecht
- St. Jacobsstraat 30
- General P 389111 T 40025
- Trading P 382410 T 70105
- 612 Van der Hoop, Offers & Zoon N.V.
- Amsterdam
- 497 Keizergracht
- P 020-227311 T 15441
- 605 Bank Morgan Labouchere N.V.
- 610 F. van Lanschot
- 606 Nederlandse Middenstandsbank N.V.
- 607 Nederlandse Credietbank N.V.
- 608 Pierson, Heldring & Pierson
- 609 Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

- 705 Bank of Helsinki Ltd.
- (Helsingfors Aktiebank)
- 740 Den norske Creditbank
- 750 Den Danske Bank af 1871 Aktieselskab
- 1092
- Copenhagen K
- P 151858 T 19441/19065
- P 158505
- 710 R. Henriques jr. Bank-Aktieselskab
- 1200
- Copenhagen K
- P 12 00 52 T 19 162/19 952
- 715 Kansallis-Osake-Pankki
- 1091
- Holmens Kanal 2
- Copenhagen K
- P 12 86 00 T 19 177
- 720 Kibenhavns Handelsbank
- 1091
- Holmens Kanal 2
- Copenhagen K
- P 12 86 00 T 19 177
- 745 Postipankki
- 730 Privatbanken Aktieselskab
- 735 Skandinaviska Enskilda Banken
- 10640
- Kungsträdgårdsgatan 8
- Stockholm
- P 765 50 00/24 28 30 T 11 007
- 728 Union Bank of Finland
- (Nordiska Föreningsbanken AB)

REGION 8 - SWITZERLAND

- 800 Bondpartners S.A.
- 805 Credit Suisse/Swiss Credit Bank
- 860 Swiss Bank Corporation
- 8022 Zurich
- P 223 11 11 T 53 471
- 870 Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

- 901 Akroyd & Smithers Limited
- 903 Bank Julius Baer International
- 905 Bankers Trust International Limited
- 910 Banque Francaise de Credit International Ltd.
- 911 Citicorp International Bank Limited
- London
- 335 Strand
- WCEK ILS
- P 836-1290 T 88 4933
- 912 Continental Illinois Limited
- 914 Credit Suisse First Boston Ltd.
- London
- 123 Leadenhall Street
- P 283-4200 T 88 3731
- 913 Daiwa Europe N.V.
- London
- 8-14 St. Martins-le-Grand
- EC1A 4AJ
- P 800-5676 T 88 4121
- 915 Deltatrade Trading Company Limited
- London
- 10 Chesterfield Street
- W1K 7HF
- P 493-1239 T 88 11055
- P 491 4774 Trading
- 922 Dominion Securities Limited
- London
- 150 Leadenhall Street
- EC3V 4PP
- P 688-3654 T 88 19581
- 927 The First Boston Corporation
- 930 First Chicago Limited

- 931 Goldman Sachs International Corp.
- London
- 40 Basinghall Street
- EC2V 5DE
- P 638-4155 T 88 7902
- P 638-4243
- 932 Hambros Bank Limited
- 933 IBJ International Limited
- London
- Bucklersbury House
- 3 Queen Victoria Street
- P 638-0561 T 88 3411
- P 638-2755
- 934 Hill Samuel & Co. Ltd.
- 935 Kidder Peabody Securities Limited
- London
- 24th Floor
- 99 Bishopsgate
- P 638-0272 T 88 4694/5/6/7/8
- 936 Loeb, Rhoades, Hornblower International Ltd.
- London
- 55 Grosvenor Street
- W1X 9DE
- P 491-3351 T 25 433
- 939 Kuhn Loeb Lehman Brothers Int.
- London
- P.O. Box 15
- Commercial Union Bldg.
- 1 Underhill
- P 623-2904 T 88 7461
- P 288 7727

- 936 Manufacturers Hanover Limited
- 937 McLeod, Young, Weir International Limited
- 940 Merrill Lynch, Pierce, Fenner & Smith
- (Brokers & Dealers) Ltd.
- London
- 3 Newgate Street
- EC1A 7DA
- P 236-1030 T 88 5357/88 11801
- 941 Morgan Stanley International
- London
- P.O. Box 132
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If the West believes in the power of its ideas, then additional transmitters and funds for broadcasting to the East are more important than missiles — Hungarian intellectual

East-West battle of the airwaves

BY PAUL LENDVAI

TWO mysterious deaths of Bulgarian broadcasters in London have dramatised for a public a crucial, albeit ignored or forgotten, battle of East-West relations: the battle of the airwaves.

International broadcasting to Europe and the Soviet Union (excluding the very special case of Yugoslavia) provides an indispensable lifeline of information for some 360 million from East Berlin to a city in Budapest to

the nations living in this vast area speak a multitude of languages. They also, of course, in their life and histories, the level of economic development, the rigidity of their controls. But for all this diversity, they live in a world which still and it will openly discuss even the effects of the effects of disasters, let alone their personnel changes at the top, underlying reasons for omic difficulties, or dist-

activities. day, a traveller to eastern Europe (always excepting Yugoslavia) finds no Western news on the newstands, official Communist news are plentiful. The news are slim even that he get a copy in the selected national hotels in Moscow, or in Bucharest where the news newspapers are either "sold out" or "have not arrived."

en foreign language Communist newspapers disappear the stands if they carry contrary to official policies ruling Communist parties.

Issues of the French *L'Humanité* criticising the treatment of Soviet dissenters or even of the Yugoslav *Politika* carrying rejoinders to Soviet attacks have never reached their Soviet readers.

Western publications are made available in fairly large numbers and in a selective way to special groups within the Communist elites. Domestic press, broadcasting and mass media are subjected either to censorship or to the self-censorship of editors. Even the Communist leadership receives internal confidential bulletins which vary according to their rank. There is a kind of "hierarchy of colour" in each Communist country, with the "very confidential" items going only to the top. In Romania, for example, if someone who has a daily bulletin with a red stripe henceforth gets one with a yellow mark, he knows he has been demoted in the hierarchy.

Only in the area of international broadcasting are the Communist regimes unable to maintain total control over news and views. Any ordinary Russian, Hungarian or Bulgarian can switch on a news programme broadcast in his native tongue and thus can hear even news items and commentaries which are regarded by the party officials as "highly confidential."

As a consequence of the transistor revolution, radio is more than ever the principal means of breaking through to the peoples in the East.

In the Soviet Union and other Communist countries of eastern Europe, ownership of radio receivers increased more than fourfold from 1955 to 1975 when (according to the BBC hand-

book) sets numbered over 92m with about two-thirds of them able to receive shortwave. After World War II the BBC was number one in international broadcasting. Today, the Soviet Union is the leading international broadcaster totalling 1,999 hours in 84 languages, more than the combined hours of the U.S. stations (Voice of America, Radio Free Europe, Radio Liberty) with Radio Moscow joined since 1964 by "Radio Peace and Progress," presented as an "independent voice of the people with even more aggressive propaganda. International broadcasts from the Warsaw Pact countries (other than the Soviet Union) have doubled to almost 1,500 hours per week in the last 20 years. The importance of the battle of the airwaves is shown, incidentally, by the curious fact that maverick tiny Albania (total population about 2.5m) broadcasts 490 hours in foreign languages weekly, three times more than Italy and approaching the BBC with 727 hours broadcast in 37 languages.

Regardless of the aggressive propaganda content, no western government has ever suggested interfering with, let alone jamming of, Communist-controlled broadcasts.

For the Communist regimes, however, foreign short-wave broadcasts have all along constituted a major point of vulnerability. They have sought to meet this problem with a variety of tactics. Listening to foreign broadcasts per se has never, not even under Stalin, been a criminal offence. However, the mere discussion or repetition of items from those broadcasts can be regarded as "distribution of hostile information."

But the main method of com-

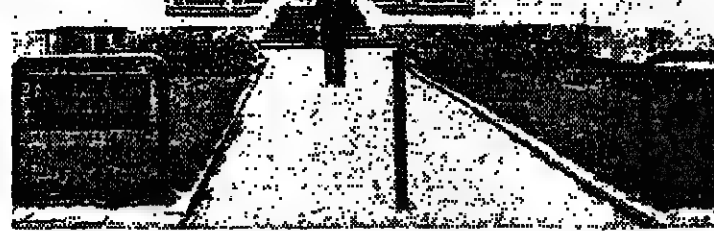
bating foreign broadcasts has been jamming, coupled with permanent attempts at discrediting the foreign broadcasters as espionage centres or "instruments of subversion, permanently violating the sovereignty of the Socialist countries." That the best and, by implication, most dangerous propaganda is a statement of facts was recognised by Stalin when, in 1948, he ordered the jamming of the Russian language broadcasts of Voice of America and, one year later, those of the BBC. Since then, the extent and intensity of the electronic jamming, which is, of course, contrary to international law and the Montreux Convention on international telecommunications, also varied according to the given state of East-West relations and, more particularly, in relation to internal and external crises affecting the Communist world.

Thus, for example, Poland stopped interference with RFE broadcasts between November 1956 and January 1971 but resumed jamming after the riots that toppled the Gomulka regime. All the broadcasts of the Munich-based Radio Liberty (RL) in 16 of the languages spoken in the Soviet Union, including a 24-hour Russian service, are jammed. Bulgaria and Czechoslovakia have never ceased to jam Radio Free Europe broadcasts, but Romania stopped jamming in the summer of 1963 and Hungary in March 1964.

During a heated debate on the controversial Basket Three provisions of the Helsinki Agreement concerning the free flow of ideas and information, at the Belgrade follow-up meet-

ing a year ago, the U.S. Ambassador Arthur Goldberg sarcastically remarked: "It has been said that hard currency shortages prevent the purchasing of information products from the U.S. Yet it is hardly a lack of dollars that motivates the jamming of Western radio broadcasts." It is estimated, for example, that in the Soviet Union 3,000 transmitters are engaged in round-the-clock jamming, costing over \$300m a year — more than the total cost of Soviet domestic services. When the Polish authorities ceased jamming in the autumn of 1956, they themselves gave the amount saved as \$17.5m.

Yet jamming can never be completely effective. As to the Communist charge of interference in the internal affairs of sovereign countries, an answer was given by a Western diplomat in Belgrade: "... any listener who finds news from Western sources uninteresting or offensive, has a quick remedy — he can switch off." But the fact remains that in the Soviet Union and Eastern Europe many millions of people listen regularly to foreign broadcasts. The list of Western broadcasts is led by the Munich-based U.S. stations, Radio Liberty and Radio Free Europe, set up in 1951 by the CIA as part of its covert propaganda operations and secretly funded until 1971. Though the corporation responsible for the two stations, now subject to funding and supervision by the U.S. Congress and run by a board of international broadcasting, claims to have severed "all links with the Central Intelligence Agency" in 1971, the Soviet bloc continues to denounce the stations as espionage centres. They



Radio Free Europe's HQ in Munich. The mysterious death of Bulgarian broadcaster Georgi Markov (right), jabbed with a poisoned umbrella, has served to dramatise the airwaves battle.

Radio Free Europe's HQ in Munich. The mysterious death of Bulgarian broadcaster Georgi Markov (right), jabbed with a poisoned umbrella, has served to dramatise the airwaves battle.

merged in 1976, have an annual budget of \$88m and a staff of 1,821. They are different from VOA or the BBC. They reach an estimated daily audience of 13m to 15m people in Poland, Romania, Hungary, Czechoslovakia and Bulgaria and Western radio. Predictably, they broadcast every day for about 20 hours in Polish, Hungarian and Czechoslovak as well as 13 hours in Romanian and eight hours in Bulgarian, has the largest audience. This makes a grand total of some 27.5m in the five countries who regularly or occasionally tune in to the broadcasts beamed by 46 transmitters in Germany, Portugal and Spain.

Many listeners are, of course, interested mainly in non-political entertainment. Thus, for example, in Czechoslovakia Radio Viena has the highest audience, followed by Radio Luxembourg. These two stations have everywhere a loyal following. While the BBC still enjoys the highest degree of credibility, all major stations receive from eastern Europe listeners high marks for their fair and accurate reporting. Above all, the fact that the Western broadcasts regularly report on political or

economic crises in the Western countries and on the youth revolt and terrorism, etc., convinces sceptical audiences east of the Elbe that their newscasts and commentaries are reliable. Foreign broadcasting to eastern Europe is therefore a new and extremely important dimension of Western diplomacy. The broadcasts function not only as a sort of surrogate domestic radio or press for audiences otherwise dependent on state-controlled information; they also, directly or indirectly, influence political developments. This is the reason why above all RFE/RL but occasionally also VOA and the BBC are subjects of propaganda attacks. The Czechoslovak and Polish secret services claimed in 1968 and 1977 that they had planted key agents at the Munich stations and gave much publicity to their lurid revelations. The Soviet bloc has also put pressure in the past on the government in Bonn, and may yet do the same in Spain and Portugal, to oust the transmitters of the "subversive stations" from their territories. As a Hungarian intellectual put it, "if the West believes in the power of its ideas, then additional transmitters and funds for broadcasting to the East are more important than missiles."

Letters to the Editor

Profitable quality

Mr. F. Pike
—Your leading editorial on sense arithmetic (ber 4) deserves much wider than it will get. Only a words were devoted to the tional job which a pay must achieve, but the im-

port of this aspect has been under-estimated. It is as if we really understand the Chancellor picked 5 per Why not 9 per cent? There-fore that the Ford have done their own home-own conclusions. It is as if we are to under-estimate the acumen as it is to over-

the Chancellor and the have a difficult task. On one hand they have, after parity of wages, on the other hand they have the use of our human and al resources. If they are used to adopt policies which parity of wages, invest-ment will be concentrated in the profitable industries, unem-employment will mushroom and mic pressures could be intolerable. But the her spectrum of investment would be encouraged by a based on good manage-ment of our human resources to offer our society an escape the vicious circle in which ave become trapped.

Chancellor needs to in these options in terms we can understand and rt. Reducing inflation is a to an end; not an end in . If anything the 5 per cent favours smaller wage dif- ficulties. It offers very little for those who are concerned t employment in the future. C. Pike, re Shire, n. Beds.

Exports of ve sheep

the Secretary, mal Sheep Association

—Your report of October 4 e 31) on our chairman's e to Mr. John Silkin, Minis- of Agriculture, in which he forward the National Sheep elation's belief that live rts should be controlled to ant cruelty rather than ed, stated that Mr. Silkin ars an end to the live trade. reply to our letter may well this to be an over-

ification. effective development of carcase trade in Europe t be very desirable but our is that legislative measures dy specified in government rts could prevent cruelty this is an option that should could be open to us now. NSA is very much against current tendency to assume the present situation or e alternatives, with no choice. Thorley, onal Sheep Association. le Heather Farm, esbury, Tring, Herts.

Only as healthy s the economy

Mr. R. Bankes-Jones
—In your correspondence ns of October 5, Raymond age pops up, yet again, this to try to the Mr. F. C. Price nts about costs of pension ion without unravelling elf; and the good Major-

General J. Cowley offers most practical and humane advice for dealing with moles on his lawn. Raymond Nottage is like a mole, endeavouring to be a nuisance. Let us however forget the No. 7 shot and concentrate, as it were, on the empty bottles technique (bot-

Nottage has long had an sh of a good thing; but it does distinct from forward funding for pensions. In this country, broadly as a proper reflection of being a mixed economy, we have pay as you go (public services), notional funding (NHS and teachers), partial funding (state pensions), and full funding (private sector and nationalised industries and public corporations). The scenario is set out and the economic implications of permutations of method are interpreted in recent reports to the Wilson Committee from the Government Actuary and from HM Treasury.

After reading those analyses and thinking further, would Mr. Nottage agree that no single system for financing pensions (in Italy, Germany, France or UK) can be either universal panacea or prove healthier in long term practice than the economy within which it operates; and that, in the UK, the relevant question may be whether the continuance of huge forward funding by nationalised industries and public corporations is likely to overload outlets for remunerative investment for all funded schemes? You can have too much of a good thing; but it does not follow that it is bad in moderation; in its proper place (the private sector, which minds its own business). R. M. Bankes-Jones, 154, Palewell Park, East Sheen, SW14.

Paying for pensions

From the Managing Director C. T. Bourring and Laybourn

Sir,—The purpose of my letter of October 2 was not, as Mr. Raymond Nottage suggests (October 5) "to eulogise funded schemes" but to identify the major weaknesses of the pay-as-you-go system. Indeed my conclusion expressing support for "the present mix of state and occupational benefits" demonstrates a balanced view as to the respective merits of the two systems. Inevitably funded schemes, like many other institutions, suffer from stress at times of inflation but the true ultimate cost of a pension is not any less under a pay as you go system than under a funded arrangement—it may appear initially to be cheaper under a pay as you go system, the true cost emerging to be borne by subsequent generations. How this cost is shared between employer and employee is irrelevant to the central issue.

Mr. Nottage goes on to suggest that in Germany "their state pension system has contributed to the enviable strength of the economy" and that we should learn from their experience. It is, I believe, the book reserve system of funding occupational schemes which has made a significant contribution to the German "economic miracle." Significantly, since 1974 the German Government has found it necessary to impose a system of compulsory solvency insurance to protect the interests of members of schemes whose benefits are secured only by the assets of their employer. I have always held the view that we should study the systems and experience of other industrialised communities in develop-

ing our own pension system and that all the options should be considered. It is, however, dangerous to assume that the panacea for the shortcomings of pension schemes is the abandonment of funding and the adoption of a pay-as-you-go system. This would merely put off the day of reckoning. P. C. Price, PO Box 130, 142/152, Long Lane, SE1.

Facts on funds

From the Chairman, the National Association of Pension Funds

Sir,—Mr. Lancaster did not read my letter very carefully before dashing off his reply (October 4).

In the first place the NAPP Year Book which was the subject of my letter is an entirely new venture on the part of the

Exchange control

From Mr. J. Newman

Sir,—It is now almost 40 years since the introduction of Exchange Control to the UK under the Emergency Powers (Defence) Act 1939 part of which were later re-enacted as the Exchange Control Act 1947. These laws were originally brought in (as the name of the legislation suggests) to cope with the economic problems of the Second World War but in form they have remained virtually unchanged since. The question should be now asked what is the use of this legislation, or does it assist the UK economically or otherwise?

After some years of experience in dealing with virtually all aspects of exchange control, my feelings are that the operation of the Act by the Treasury and its agent, the Bank of England, is harmful in absolute terms to the UK balance of payments, promotes volatility in the short term sterling exchange rate against other currencies and, lastly, places obstacles in the way of successful exports of British goods and services over-

seas. Broadly speaking, the rules divide transactions into two categories—current account or ordinary trading account transactions, and capital account transactions. On the former, payments may be made through the official foreign exchange market after obtaining the necessary delegated authority from the authorised bank concerned. Similarly on the latter, receipts should be converted through the official foreign exchange market without delay. The symmetrical treatment of receipts and payments should mean that the UK exchange would not be affected apart from any underlying imbalance. When, however, a currency is weak like sterling (even though it has occasional relative hardness as in the last year against the dollar) the natural inclination of businessmen is to attempt to play the foreign exchange market by delaying or accelerating the transaction concerned. This is exacerbated by exchange control since its presence encourages awareness of currency movements. In addition, most businessmen feel that the Bank of England will always be an opposite speculator in the movement of sterling-parities and, unfortunately, exchange controls encourage the payment of commissions and fees, etc., by non-UK residents which are retained outside the UK illegally.

On the capital side, inward investors are usually well aware of exchange control and so channel investments that little capital injection is received—the finance being overseas debt. This debt is usually repaid after the minimum period possible, together with interest. The investors then pay excessive dividends so as to strip the UK of cash and hence reduce the overseas investors' exposure to the decline of sterling.

Outward capital investors from the UK may not generally count on the UK balance of payments because of the interest payable on the debt and the exchange difference burden. When income ultimately arises from the investment, then the Bank of England attempts to obtain remittances to assist the UK balance of payments with the objective of making outward investment self-financing. Although this may be achieved, I am sure that the balance between outward and inward investment is weighted against the UK's balance of payments.

The Bank of England is in general a most helpful institution which does its best to assist within the framework of the rules. Having said that, I am sure that the complexity and difficulty of obtaining consents—rather than having a free exchange system—presents an obstacle in the way of UK businessmen contracting business overseas. It is one more problem which confirms some of them in insular attitudes.

The above are my feelings based on experience and are, of course, subject to criticism since they are not quantified and thus not proven. It is significant to observe here that the Treasury and the Bank of England have, to the best of my knowledge and belief, never attempted to justify the efficacy of exchange control. Cynically one should not expect bodies to be self critical or for open government to exist in the UK so I doubt if the real evidence will ever be produced. The experience, however, of the other major trading nations in the world is indicative: France, Germany, Netherlands, Japan and the U.S. have no exchange controls of the UK type. Need one say any more? John A. Newman, 21, Mincing Lane, EC3.

Today's events

GENERAL
National Economic Development Council meeting, MHBank Tower, London.

Mr. Ian Smith and Rhodesian colleagues in the U.S. for talks. British Oxygen pay talks resume, Charing Cross Hotel, London.

Gen. Moshe Dayan, Israel's Foreign Minister, addresses United Nations General Assembly. Zambian High Court hearing on legality of presidential candidates. Delegation from Peking Municipal Revolutionary Committee arrives in London for talks. —visits Tourist Board and tours Waldorf Hotel, London. Trial of 30 Tunisian trade union

leaders accused of trying to overthrow the Government resumes. French railways threaten four-day strike.

Severn bridge closures start on Traffic Bridge (M4), probably until end of the year. European Parliament five-day session opens in Strasbourg. EEC Justice Ministers two-day meeting starts in Luxembourg. British Council of Productivity Associations' conference on Contract of Employment at Elliott Hotel, London. Talks resume on differentials

dispute which has prevented printing of the International Herald Tribune in UK. Statement from Mr. Peter Hall on the development of the National Theatre.

OFFICIAL STATISTICS
Department of Industry publishes September provisional wholesale price index numbers. COMPANY RESULTS
Final dividends: Glasco Holdings, R. Green Properties, Laka and Levent. Interim dividends: Edinburgh Investment Trust, J. E. England and Sons (Wellington),

Freemans (London, SW9), Helene of London, Hewden-Stuart Plant, S. Jerome and Sons (Holdings), Lesney Products and Co., Reed Executive. Interim figures only:

COMPANY MEETINGS
See Financial Diary on Page 10. SPORT
Yachting: Sailing Speed Week at Weymouth.

Leves. Boat: Dave Proud (Penge) v Colin Ward (Northampton), Seymour Hall, London. Dave Needham (Nottingham) v Alan Robertson (Newcastle), Morton Hotel and Country Club, Middlesbrough. LUNCHEON MUSIC, London
Organ recital by Roger Carter, at St. Michael, Cornhill, 1.00.

Why you should rent the Philips VCR from Visionhire

How good the Philips VCR is you can see from the advertisement on page The cheapest, most convenient way to have its advantages in your own home is to rent one from Visionhire.

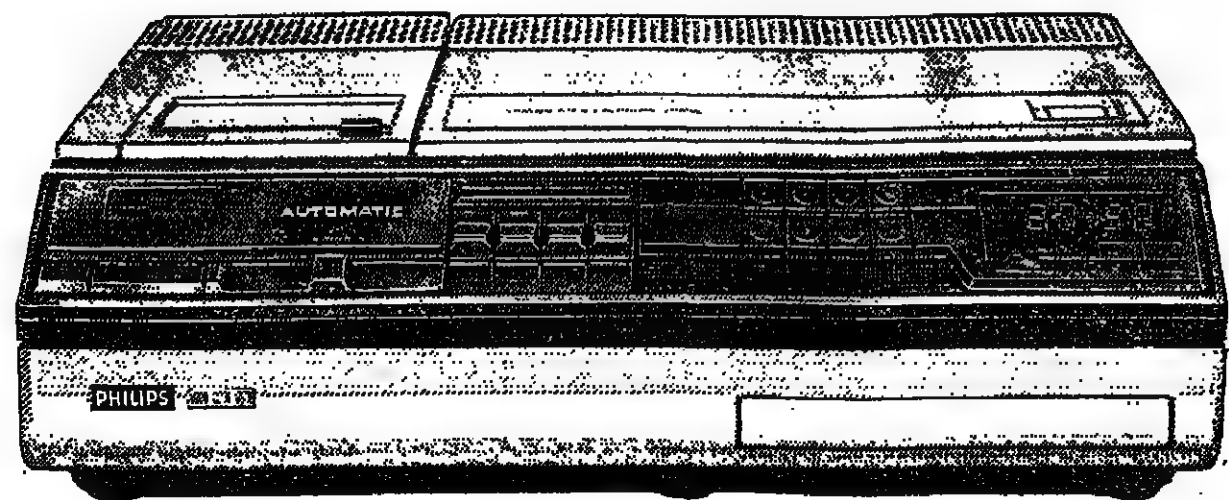
Buying a Philips VCR can set you back a fair sum. You can rent one from Visionhire for a fraction of the cost.

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VISIONHIRE

You watch. We watch your interests.

Confidence at BL components

By ARTHUR SMITH, Midlands Correspondent

R. MCGRATH, who gained with, Birmingham, Speke, ence in financial manage- Liverpool; Llanelli, South with large organisations: Wales; Swindon and Dunstable; Esso Petroleum, Ford, ● Paris. With only 3,500 Corporation, is proud of the highly profitable operation has a turnover similar to that of Pressed Steel Fisher. you realise that with a of nearly £800m and Through the well-known Uni- workers we are one of part network, parts and largest motor component accessories are supplied for ers in the UK? For com- most makes of car in Britain n. Smith Industries has and Europe.

4m turnover and 19,000 ● SU-Butec. The component ees and Lucas Industries manufacturing operation em- of £88m with 68,788 plays 8,000 and expects a turn- over this year of around £114m.

McGrath, aged 46 and the Products are supplied not only al director of Leyland to BL but also to competitors and Bus, was recruited a such as Ford, Chrysler, Vaux- ondes ago by Mr. Michael hall, Volvo and Rolls-Royce; des, the BL chairman, to ● Foundries. Sales of £50m and a managing director of 3,700 workers. Iron- and newly-created BL Com- aluminium castings are supplied is—a hotchpotch of an to the car, tractor, truck and sation embracing the diesel engine industries.

Leyland Cars' body "We see ourselves as auto- operations, foundries, nomic components suppliers. ent manufacturing and We get very little interference from BL in our day-to-day extent of the state-owned affairs," says Mr. McGrath. tion's involvement in "Consistent with our main ent manufacture is objectives to supply bodies and an accident of history, components to BL cars we now ries of mergers and take- have a wider responsibility in that led to the creation expand sales to the outside is nation's largest car world."

ly operation resulted The reasoning behind the planned assault on component n ownership of a whole markets is simple. The com- of in-house supply pany has the capacity to meet BL requirements for 1.2m ions.

Grouping

requirements for these BL suggests that car output this year may be little more than the BL components 750,000 and target sales for next But as part of Mr. year will probably remain at des's philosophy of around £30,000. "With a lot of ing responsibility and capacity we do not need much money to get launched into new ing identifiable and more eable units, activities been split between four out.

subsidiary companies, with its own managing r, financial targets and ss strategy.

companies for which Mr. b takes overall responsi- are: used Steel Fisher. With workers and an expected er this year of around this group of factories and paints the body. pments, which have high added and some other compon- value and are easily transport- or the full range of BL able. BL Components may be nd for Rolls-Royce. The lacking investment in some of principal locations are the latest-volume assembly would Oxford; Castle Brom- niques, but has machine shops.

that would stand comparison with the best in Europe. The company has the added advantage of lower wage rates.

Mr. McGrath takes a comba- tive attitude towards the UK concern expressed within the UK components industry that BL is



Peter McGrath: Little interference

using taxpayers' money to expand in areas where there is already sufficient capacity and domestic companies have demonstrated their ability to meet foreign competition.

"It should not strike fear into the hearts of UK components companies. It is competition. That is the world we live in and if it drives people out to seek new markets that must be good for Britain."

Mr. McGrath argues that for a company receiving loans from the state the case for seeking business efficiency is the stronger. "We will only do it in-house if it can be done more cheaply. If the pricing offered by outside suppliers is right we would be unable to put forward a commercial case for new investment."

He acknowledges there are complaints that BL Components might attempt to take advantage of its idle capacity. "Competing we certainly will be over a wide range of products. But unfairly, no."

"The need of car assemblers to be assured of supply would require them to place business

with more than one company. We have some cases where we are unable to get business from some BL companies because the pricing of our competitors is too keen. There are other examples where prices charged to Austin Morris are so high that we can get discounted cash flow returns of 30 per cent and more on brand new investment."

Mr. McGrath cites the case of the planned £24.7m aluminium foundry on a green field site at Leeds as an example of where the private sector was given the first option. "If traditional suppliers of aluminium castings feel they can supply all BL requirements more effectively and cheaply, they can scotch any new investment of mine by price negotiations with my sister companies."

BL maintains that the new foundry will provide a saving of up to two-thirds on labour costs. The facility, scheduled to come on stream by the end of 1980, will increase BL aluminium capacity from 7,000 tonnes a year to 13,000.

Mr. McGrath is clear about the company's strengths and where growth can be expected. "Unipart has proved itself as an exceptionally good marketing operation and we intend to build on that."

At the manufacturing end, SU-Butec is anxious to develop interests in electronically controlled equipment. "Joint ventures with specialists in the field of electronics will be very much in our minds."

For Pressed Steel Fisher, where only £10m of the current £300m turnover is with outside companies, breaking back into markets abandoned a decade ago will be difficult.

The increased scale and integration of body assembly work means few companies would turn to BL to meet requirements. But there could be an important market for sub-assemblies and contract work. The aim is to build on the company's strength in the application of computers to engineering design and tool manufacture.

While there is undoubtedly unrest within the UK components industry at BL's planned move into new ventures, there is also a considerable measure of acceptance: "We have heard all this before, but it has never come to anything," was the weary response of one senior director in the industry. "BL does not have the credibility to make an impact. The components operation is so enmeshed with labour problems that it will be dragged down along with the cars company."

Mr. McGrath is conscious of the problems. He makes no secret of the fact that the components companies will push their own names and identity. "We have to accept there is no way we can persuade people to place large orders unless they have the assurance of regular and continuous supply. On price and quality we think we can be competitive. On delivery we have to prove our reliability."

Mr. McGrath insists that management morale has recovered dramatically from the low point reached in the early days of the new company. He laughs: "At the outset I wondered whether it was the soap I was using; nearly all the senior people seemed to have left. But in a not only overcome hostility and company of this size there is no scepticism within his own industry, but establish a confidence among customers that his recruited from outside to form companies can deliver the goods."

what I believe is a very strong team."

All senior management had been through the psychology tests introduced by Mr. Edwardes and have proven track records within the industry. "The whole philosophy of management is that we encourage people to develop their own initiatives. Everyone knows what is required of them."

Targets

Mr. Edwardes and the BL board set the components group targets for cash flow, profits, return on capital and whatever indicators can be developed for productivity. Those objectives are then translated to company level by Mr. McGrath.

"Michael Edwardes does not want to hear from me what has gone wrong. He cuts me short when I am trying to tell him. He just wants to know when I will get it right and how."

Mr. McGrath is lucky to the extent that his empire embraces the highly successful SU-Butec and Paris operations which according to one private industry forecast could return a profit this year approaching £100m. But there can be no mistaking the problems he faces in pushing through a programme of diversification into new markets. The immediate problem appears to be the threat posed by the 32 tool-makers at SU Fuel Systems, now in the tenth week of their official strike.

In the longer term he must not only overcome hostility and scepticism within his own industry, but establish a confidence among customers that his recruited from outside to form companies can deliver the goods.

Marston's

Another year of steady progress

In his Statement, the Chairman, Mr. M. F. Hurdle, makes the following points on the year ended 31st March 1978

- * Volume of sales has increased by 4%.
- * Construction, acquisition and refurbishing of Public Houses continues.
- * Revaluation of properties shows £17m surplus.
- * Company well placed for the future.

SUMMARY OF RESULTS	Year ended 31st March	
	1978	1977
External Sales	24,960,982	21,431,466
Profit before taxation	4,163,990	3,452,379
Profit after taxation	2,048,974	1,659,038
Profit retained	1,648,458	1,264,041
Earnings per ordinary share	8.0p	6.5p
Dividends per ordinary share	1.881p	1.6842p

Marston, Thompson & Evershed Limited
Brewers, Wine & Spirit Merchants

Businessman's Diary

UK TRADE FAIRS AND EXHIBITIONS

Title	Venue
4-26..... Improve Your Home Exbn...	Olympia
5-19..... Junior Fashion Fair International	Royal Horticultural Society's Halls, SW1
9-21..... International Communications	Cunard Int. Hotel, W8
9-29..... SMMT Motor Show	National Ex. Centre, Birmingham
4-26..... Electronic Instruments' Exbn.	Post House Hotel, Southampton
4-26..... Environmental Health Exhibition	Bournemouth
4-27..... European Offshore Petroleum Conference and Exhibition	Olympia
4-27..... London Fashion Exhibition	Olympia
4-28..... Business Equipment Trade Exhibition	Cunard Intnl. Hotel, W8
4-27..... Management Services and Equipment Exhibition	Exhibition Centre, Harrogate
9-Nov. 3..... Midland Metal Sawing and Tube Working Machine Exhibition	Addison Exbn. Centre, Willenhall
1-Nov. 2..... Equipment and Machinery Demonstration: Labels and Labelling	Clothing Technology Centre, NW4
5-6..... Furniture Preview Show	Olympia
13-18..... ENPOCON—Environmental Pollution Control Exhibition	National Exbn. Centre, Birmingham

OVERSEAS TRADE FAIRS AND EXHIBITIONS

2-23..... USSR Scientific Research Equipment Exbn.	Moscow
3-13..... Annual Library Microform Conference and Exbn.	Washington Hilton
5-22..... International Wine Fair	Verona
5-22..... Solar Energy Exhibition and Conference	Verona
8-25..... World of Investment '78	Los Angeles
9-Nov. 12..... SNOW '78—Sports, Winter and Recreation Show	Basle
9-Nov. 30..... INTERPEL—International exhibition of Leather and Travel Articles	Dietikon
10-Nov. 3..... Electronics Trade Fair	Amsterdam
3-8..... International Book Fair	Beograd
7-11..... International Sheet Metal Working and Forming Exhibition	Essen
9-17..... British Industrial Exhibition	Mexico City
11-19..... International Hotel, Tourist Equipment, and wines, spirits and beverages exhibition	Geneva
13-18..... International Packaging Exhibition	Paris
13-18..... International Food Manufacturing and Processing Exhibition	Paris

BUSINESS AND MANAGEMENT CONFERENCES

1..... Brit. Council of Productivity Assocs.: Contracts of Employment	Waldorf Hotel, London
10-12..... IPC Electrical-Electronic Press: Water Power and Dam Construction	Grand Hotel, Llandudno
10-12..... ASMA: Cost Analysis and Financial Techniques for the Buyer	Café Royal, W1
1..... Abacus Conferences: Using Industrial Design Copyright to the best advantage	Kensington Palace Hotel, London
12-13..... Institute of Marketing: Effective Pricing	Royal Horseguards Hotel, SW1
12-Dec. 14..... City University and FT: The FT-City Course	City Univ. Business School
14-17..... FT Conference: Outlook for Italy	Rome
17..... Institute of Marketing: How to Manage Salesmen for More Profitable Selling	Royal Garden Hotel, Kensington
17..... AGB Conference Services: The Threat of Crime to Industry and Commerce. Sir Robert Mark	Café Royal, W1
17..... ASME: Legal Implications of Engineering Contracts	Café Royal, W1
17..... London Chamber of Commerce: What the U.S. Buyer expects	69, Cannon St., EC4
17..... ESC: International Leasing	Carlton Tower Hotel, SW1
18..... Henley Centre for Forecasting: Planning Consumer Markets	Carlton Tower Hotel, SW1
18..... Industrial Marketing Research Assoc.: Forecasting Demand for New Products	Kensington Palace Hotel, W8
18..... SRI International: Computer Security	Hyatt Regency Capitan Htl., Chalus, Iran
19..... Institute of Purchasing and Supply: Forest Products for the Furniture Industry	Royal Lancaster Hotel, W2
19-20..... ASME: Establishing Good Communication Systems Within the Company	St. Ermins Hotel, SW1
19-20..... Management Centre Europe: EEC Legislation on Bankruptcy and Insolvency Procedures	Brussels
30..... Abacus Conferences: Intervention by the EEC Commission in Operations of Trading Companies	Kensington Palace Hotel, W8
22-23..... FT Conference: Finance and Industrial Development in the Gulf	Bahrain
24..... AGB Conference Services: Trade Union Recognition—The Options	Piccadilly Hotel, W1
24..... Institute of Purchasing and Supply: Rubber and Allied Materials—into the '80s	Grosvenor House, W1

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There are many criteria for selecting one bank over another. The reason for choosing Bayerische Landesbank is not only solid, but also quite simple: We want to help other people prosper.

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- Long-term fixed interest DM loans
- Roll-over credits via our Luxembourg subsidiary
- Private placements
- Bond issues or equity financing operations via stock exchange introductions
- Short-term trade financing

We can refinance long-term credits through the issue of our own bearer bonds. Here our vast experience in municipal finance is of great value. And we can structure a worldwide

syndicate of underwriters and selling groups and price issues sensitively, promptly and independently.

Our private placement capacity is enhanced by our position as clearing bank for a broad regional network of local universal banks (Sparkassen). We can also give sound advice about introducing foreign companies on any German stock exchange.

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Bayerische Landesbank Girozentrale

International Banking with Bavarian Drive and Friendliness

1st NOVEMBER 1978 REDEMPTION

BRITISH LAND INTERNATIONAL N.V.
U.S. \$16,000,000 8% Loan 1987

REDEMPTION OF BONDS

British Land International N.V. announces that for the redemption period ending on 1st November 1978 it has purchased and cancelled bonds of the above loan for U.S. \$1,115,000 nominal capital and tendered them to the Trustee.

The nominal amount of bonds to be drawn for redemption at par on 1st November 1978 to satisfy the Company's current redemption obligation is accordingly U.S. \$1,115,000 and the nominal amount of this loan remaining outstanding after 1st November 1978 will be U.S. \$14,885,000.

DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 21st September 1978 attended by Mr. Keith Francis, Croft Baker of the firm of John Vein & Sons, Notary Public, when 1,115 bonds for a total of U.S. \$1,115,000 nominal capital were drawn for redemption at par on 1st November 1978, from which date all interest thereon will cease.

The following are the numbers of the bonds drawn:

The following are the numbers of the 1000																																																	
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OVERSEAS MARKETS

INTERNATIONAL BONDS

Japanese DM convertibles star

BY NICHOLAS COLCHESTER AND FRANCIS GHILES

IT WAS against the Yen and the Deutschmark that the U.S. dollar was weakest last week; the Swiss Franc was undermined by the new measures of the Swiss authorities. The Japanese stock market recorded another high for the year of the week's end. Combining these two developments and it is not surprising that conditions in the market for international bonds were very favourable indeed.

The issue for Nissan Diesel Motor, which was issued at par on Wednesday, was quoted at 102 1/2 on Friday night at 100. Nissan Computer, an earlier issue, was quoted at 112 1/2, compared with 108 the previous Friday evening. It was confirmed that Nissan Diesel would be testing a convertible. Late in the week, the first round of the Nissan Computer, the well-established Japanese electronic group, might well tap the market in November for DM 150m via a convertible bond.

This would be one of the largest of this type of issue seen — they tend to be for DM50m or DM100m — and its size is also an indication of Japanese enthusiasm for this market. The list of participants in the Japanese Ministry of Finance

for international bond issues in the last quarter of this year showed sharp upturn in activity. The issues tentatively indicated on this included convertibles for Olympus Optical and for the electronic equipment company Canon. Taitheh together with straight DM bond issues for Taitheh and for Hitachi Shipbuilding.

The DM sector of the bond market has shown a strong week underpinned by the performance of the currency and by speculation that the renaissance of the Pan-European currency will in all likelihood see the DM inserted at a high level in order to give the system a modicum of initial stability. Turnover in the market was up and though prices were mixed the average movement was about plus one quarter of a point.

The weakness of the Swiss franc last week apparently prompted Swiss investors to

redouble their buying of DM bonds. Dealers said they were bigger buyers last week than they had been for some months. The German Capital Market Sub-Committee will meet next Friday in Frankfurt to decide on the volume of new straight issues to be floated in the month from October 15. Observers in Germany feel that, given the recent strength of the DM market, an increase in the volume of issues authorised to close to DM 150m is on the cards.

Last time the Sub-Committee authorised a monthly volume of DM 100m.

Among new issues announced last week was a private placement of DM 100m for Compagnie Financière de la Deutsche Bank, the big German bank's Luxembourg subsidiary, and two straight issues, one for Venezuela and another for the Banque Extérieure d'Algérie. The dollar bond market re-

mained in its strange state of paralysis and the loudest sound in the London dealing rooms last week was the rattle of back-slamming chairs. Investors are put off by the near-term prospect of mounting interest rates and a falling dollar. Borrowers are taking a longer view — ever what they perceive to be a hump in rates and a trough for the dollar. Whatever the short-term outlook, corporations are reluctant to commit themselves to 9.5 per cent for 15 years. And with their interest rates, staff telling them that the dollar has just got to be undervalued they are unwilling to believe that long-term currency gains will defray the interest cost of such dollar

A grand gesture by a big borrower and some big long-term investors could in theory reconcile these different time frames: the problem is that the immediate outlook is too demoralising. Salomon Bros, in its latest Comments on Credit, provides a bleak round-up of the lack of impact of rising U.S. rates on the U.S. money supply. It concludes baldly that "interest rates will rise sharply" and that "the disinflationary seeping into the market place from the realisation

that the third quarter rally in the U.S. bond market was but a brief interlude in a bear market which still has powerful momentum behind it."

An alternative way to bridge the credibility gap would be to revive issues denominated in currency "cocktails" like the SDR. This should in theory bring together investors who are anxious to diversify out of dollars and corporations who are afraid of borrowing them on current terms. Major investment banks have been hawking this idea around in recent weeks, but there are no signs yet of major response. Perhaps, as in 1975, the idea will sink in just in time to be rendered obsolete by a recovery in the dollar.

A \$40m seven year floating rate note was launched at the weekend for Banque Extérieure d'Algérie. This note will bear an interest rate of 3 per cent over Libor and a minimum coupon of 7 1/2 per cent and will be managed by the National Bank of Abu Dhabi.

There was some confusion in the market which could have resulted in this issue being postponed. The DM100m straight for the same borrower had been launched earlier in the week. While the two markets are very different and the floating rate

note will be essentially placed in the Middle East, a collision price not have been welcome. The French franc improved Friday afternoon at 98.98. It seems that the bonds unloaded in the secondary market in the days following the price of the issue are now in demand. The French franc improved Friday afternoon at 98.98. It seems that the bonds unloaded in the secondary market in the days following the price of the issue are now in demand.

recent issue for European Investment Bank improved in the Middle East, a collision price not have been welcome. The French franc improved Friday afternoon at 98.98. It seems that the bonds unloaded in the secondary market in the days following the price of the issue are now in demand.

CURRENT INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager
U.S. DOLLARS						
Novo Industri	20	1987	7	100		Morgan Grenfell
Bank of Tokyo	20	1993	15	5 1/2	100	S. G. Warburg
Canada	400	1988	10	100		Morgan Stanley
Canada	350	1998	20	100		Morgan Stanley
D-MARKS						
Nissan Diesel Motor	90	1986	6	8 1/2	100	Deutsche Bank
SECOR (Gated S. Africa)	40	1984	4	100		Bay. Vereinsbank
Kayaba	30	1985	7	100		WestLB
Estel NV	30	1985	7	100		WestLB
Maruetsu	30	1985	7	100		WestLB
Venezuela	150	1990	11	100		Deutsche Bank
Maruetsu Food	50	1987	7	100		Deutsche Bank
Banque Extérieure	100	1985	6	7 1/2	100	DG Bank
Argentine	150	1988	6	6 1/2	100	Deutsche Bank
Compagnie Financière de la Deutsche Bank	100	1984	5 1/2	5	99	Deutsche Bank
SWISS FRANCS						
Norges Kommunalbank (Gated Norway)	150	1988	n.a.	4	100 1/2	Bankgesellschaft, Kurz, Gutzwiler
KUWAITI DINARS						
Electrobras (Gated Brazil)	10	1985/90	—	8 1/2	—	KIIC
LUXEMBOURG FRANCS						
CECSC	400	1988	8	7 1/2	99 1/2	Banque Generale du Luxembourg
UNITS OF ACCOUNT						
Swedish Min. Fin. Co.	15	1993	9 1/2	7 1/2	99 1/2	Kreditbank Luxem.

* Not yet priced. * Placed. * Floating rate note. * Minimum. * Convertible. * Purchase. * Lead.

Indices

NEW YORK DOW JONES

	1976										1975			
	Oct. 1	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 6	Oct. 7	Oct. 8	Oct. 9	Oct. 10	High	Low	High	Low
Open-Finish	880.02	370.42	375.07	379.90	871.66	866.92	807.74	742.72	105.70	117.92	105.70	117.92	105.70	117.92
Time High	86.22	86.51	86.82	86.82	86.75	86.84	86.88	86.70	86.70	86.70	86.70	86.70	86.70	86.70
Transport	246.84	246.55	246.81	244.40	244.74	244.11	231.48	211.11	211.11	211.11	211.11	211.11	211.11	211.11
1000 Miles	105.29	106.12	107.16	103.95	105.92	105.12	116.50	102.84	116.50	116.50	116.50	116.50	116.50	116.50
Trading vol., contracts	27,560	27,620	27,140	22,820	19,980	26,110	26,110	26,110	26,110	26,110	26,110	26,110	26,110	26,110

AUTHORISED

OFFSHORE AND OVERSEAS FUNDS

[illegible]

INSURANCE AND PROPERTY BONDS

[illegible]

CORAL INDEX: Close 502-507

INSURANCE BASE RATES

†Property Growth.....	104%
†Vanbrugh Guaranteed.....	9.75%
†Address shown under Insurance and Property Bond Table.	

NOTES

1. Price does not include \$ premium, except where indicated a, and in Pence units, otherwise indicated. Yields b (shown in last column) allow for all buying expenses. a Offered price includes all expenses. b To-day's price. c Yield based on offer price. d Estimated. e To-day's opening price. f Distribution free of U.K. taxes. g Periodic premium insurance plans. h Single premium insurance. i Offered price includes all expenses except agent's commission. j Offered price includes all expenses if bought through manager. k Previous day's price. l Net of tax on realized capital gains unless indicated by m. n Gettersy gross. o Suspended. p Yield before Jersey tax. q Ex-subdiv.

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Uneasy ceasefire in war-torn Beirut

BY ROGER MATTHEWS

LEBANON'S uneasy ceasefire was still holding after nearly 34 hours this evening, but the Maronite Christian militias in the embattled Eastern sector of Beirut claimed that the Syrian Army was using the time to bring up fresh men and materials.

While President Hafez Assad, of Syria, and President Elias Sarkis, of Lebanon, continued their talks in Damascus aimed at ending the fighting, several of the Syrian army's main parties to the dispute issued threats which would appear to undermine an agreement.

No accurate casualty figures are available, but former President Camille Chamoun, the Right-wing Maronite leader, said today that during the past eight days of Syrian shelling some 300 civilians had been killed and 500 wounded. The Christian militias had lost fewer than 20 men.

Mr. Chamoun admitted that East Beirut was effectively cut off from the northern Christian areas but said they had ample supplies of munitions and food to resist indefinitely.

A strike has been called by the some Left-wing factions in West Beirut tomorrow to oppose the

Threatened

No decisions could be taken in Damascus because Lebanon was a sovereign, independent nation, said Mr. Chamoun. He sharply warned President Sarkis against asking the Arab League to renew the mandate for the Arab peacekeeping force, which is expiring in the Syrian Army. The mandate runs out soon.

Mr. Yasser Arafat, leader of the Palestine Liberation Organisation, said that the departure of the Syrian Army would leave the some Left-wing factions in West Beirut tomorrow to oppose the

He said that the departure of the Syrian Army would leave the some Left-wing factions in West Beirut tomorrow to oppose the

BEIRUT, Oct. 8

against whom they battled in the 1975-77 civil war; by the Israelis; and by "international action."

He threatened a "scorched earth policy" against American interests in the Arab world and said his men were waiting for U.S. military intervention.

Intermittent sniper fire and occasional explosions could be heard today, but it was the first opportunity in a week for people to emerge from basement shelters and examine the damage caused by the heavy Syrian bombardment.

David Buchan writes from Washington: Israel will continue to give Lebanese Christians arms and assistance if further attacks are launched against them by Syrian troops in Lebanon. Mr. Moshe Dayan, Israeli Foreign Minister, said today. But he ruled out any big Israeli push across the border to control part of southern Lebanon.

Mr. Dayan said Israeli arms supplies to the Christian community, and its action last week in shelling part of West Beirut from the sea did not endanger the Camp David peace accords. There was little risk of Egypt cancelling its peace treaty negotiations with Israel, he said.

Christians defend, Page 2

Tories will launch conference attack on Labour

BY RICHARD EVANS, LOBBY EDITOR

THE CONSERVATIVE leadership plans to take every opportunity at this week's party conference in Brighton to make maximum political capital out of the economic and industrial problems facing the Government.

It also intends to use the week to bolster the morale of party activists frustrated at the postponement of the October election. There will be every incentive for party leaders to keep controversy to a minimum, in contrast to Labour activities at Blackpool last week, but there could be pressure for a clearer exposition of Tory policy on incomes.

Mr. James Prior, Employment spokesman, and other leading Conservatives including Mr. Edward Heath, appear to be out of line with Mrs. Thatcher and Sir Keith Joseph on the degree of genuine free collective bargaining that could be permitted under a Tory administration. Some Tories fear it could be damaging to the party if its policy on this vital issue remains unclear.

Mr. Heath, speaking on a BBC radio programme yesterday, said that some form of incomes policy was essential and the sooner it

was developed the better. Mr. Heath will address two fringe meetings during the week. The state of his relationship with Mrs. Thatcher will again be a talking point among the 4,000 representatives.

Mrs. Thatcher is to address party agents tonight at their traditional eve of conference dinner, but her major speech will wind up the conference on Friday afternoon, her birthday.

She will have to maintain morale so that the party is ready to fight an election at any time between December — should the Commons division on the Queen's Speech be lost — and next October.

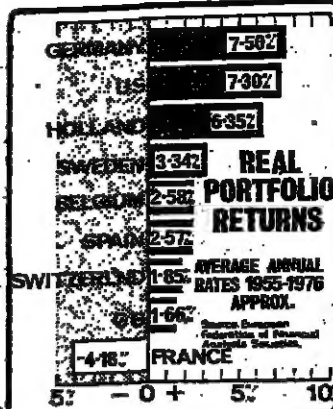
The Tories meet in confident mood. Many are convinced that the Prime Minister missed his opportunity this autumn and a winter of industrial unrest could only aid Mrs. Thatcher's chances of reaching Downing Street.

Apart from the opening debate on employment and industrial relations tomorrow afternoon, the week's highlights will be the debates on economic policy and taxation, and on protecting the environment on Wednesday morning.

Editorial Comment, Page 12

THE LEX COLUMN

Seeking the right reward for risk



Last night financial analysts from all over Europe were gathered in Brussels for the tenth Congress of the European Federation of Financial Analysts Societies—to which our own Society of Investment Analysts is affiliated. It past experience is any guide, dedication to the pursuit of knowledge will not be the only feature of this jamboree. Nevertheless, the Congress has a very serious purpose—to discuss the status and remuneration of private risk capital in the European economy. Already the various commissions set up ahead of the Congress itself have produced voluminous quantities of research material as a basis for discussion.

The debate

There are a number of fundamental issues. First, there is the statistical analysis. Why does the return on risk capital seem to have been on a declining trend, not just recently but since the mid-1960s? There is the political dimension: why is there so much indifference to the need for private risk capital, and hostility to profits? Then there is the question of what happens in the future, of whether rates of return will be normalised through a recovery in profits or through the destruction of a large part of the existing pool of risk capital.

Measurement of the return on risk capital does, needless to say, pose considerable conceptual problems, especially at times of inflation. One measure would be the rate of profits earned on shareholders' equity at replacement value. Another, relating to portfolio investment, would be the annual stock market return—in capital gains and dividends, adjusted to a real return by the deduction of the inflation rate. The second of these methods gives widely fluctuating results from year to year, but these can be smoothed out over long periods, and both methods indicate similar long-term trends.

The portfolio analysis has been applied by one of the commissions of the Congress to the nine countries (eight European nations plus the U.S.) over periods which vary slightly but are roughly from 1955 to 1976. Positive real returns on average are indicated for all these countries except France, the leaders being Germany and the U.S. Returns were much higher in the early years, however, and the averages have been dragged down by the poor performances

of stock markets in the last few years of the periods under study. One intriguing statistical indicator has been the sharp fall in the ratio of the market capitalisations of the various bourses to national products. In Germany this fell from an average 13.9 per cent in 1973-76, to 11.8 per cent in 1977-78. In the Netherlands the drop was from 47.3 to 19.1 per cent over the same period.

As for the first method, returns on revalued shares held by funds have declined in most countries since the 1960s—notably in Germany, the U.S. and the UK—but curiously there are some cases, such as France and Belgium, where the trend is not so clear cut.

A number of reasons can be put forward for the shift in profitability. It could be that 1945-60 was a favourable period, marked by capital shortage and labour abundance. By the 1960s the balance had swung round, and returns on capital were coming under pressure. Secondly, it may be that inflation itself has tended to overtake steady managements, though this cannot be the whole story for there appear to be consistent trends covering countries with both high and low inflation rates.

Opinion poll

Thirdly, political intervention—through wage/price controls, taxes and labour protection laws—may have reduced the profitability of companies. Other explanations include a slow-down in technical innovation, growth of Third World competition, and the influence of mysterious long-term economic cycles.

General lack of interest in the fate of providers of risk capital is indicated by an opinion survey of around 1,100 respondents including business-

men, trade unionists, and portfolio managers. Participants thought the rate of return on risk capital should not be greater than yield on government securities even among the riskier respondents, some 30 per cent thought this. Still, the survey showed a widespread belief about the ability of governments to take over the private supply of capital.

There have been recently of a change in the climate in Europe, disturbed by industrial unrest and a decline in the wages of entrepreneurs to make potentially risky investments more in terms of incentives private industry. The UK became almost a tax haven for industrial companies, corporate concessions have been introduced in the past year in the Netherlands, Germany, Belgium and Italy, while the French Government have introduced a whole series of measures to revitalise the Bourse.

Political view

The French desire to see age widespread investment shares is not necessarily emulated everywhere. In the UK there is keen interest in the supply of risk capital to industry—hence the work of the Wilson Commission to a large degree this is from the temptation to political control of the institutional cash industry. National Enterprise Board, remorselessly swelling the vacuum left by the state, still lethal, personal bias on the supply of high risk entrepreneurial capital.

Whether the responses can achieve a mental change is something can now be debated. It is that much more basic fact at work. The theory is enough: the accumulation of risk capital must fall short, the appropriate relative are re-established. In the run the return on risk must rise to cover the real interest rate and the premium. The uncertainty in the quantity of risk which will remain when equilibrium is reached. In Brussels over the next days the assembled analysts hope to arrive at a diagnosis. But it is safe to say they not be able to provide a

BL aims to break into Far East markets

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL COMPONENTS, in a move which will cause widespread concern among UK competitors, is launching a campaign to seek new products and markets.

Executives from the State-owned concern will travel to Japan this month in the hope of breaking into the lucrative Far Eastern market. One of the main beneficiaries will be SU Fuel Systems, the company under immediate threat by the nine-week unofficial strike of 32 toolmakers.

Meanwhile, Mr. Derek Whitaker, the former managing director of Leyland Cars, is heading up the drive by Guest Keen and Nettlefolds to capture new markets.

GKN is doubling spending at its group technology centre, Wolverhampton, to provide research and development facilities to strengthen the company in fiercely competitive international markets.

"We shall be looking at new families of components in addition to the second and third generation developments from existing products," Mr. Whitaker said last night.

For BL Components, Mr. Peter McGrath, the managing director, stressed that he had complete freedom to diversify provided he met the requirements of the State corporation.

He was prepared to develop new products or manufacture under licence.

BL Components would also welcome the opportunity of joint ventures with the private sector, because expanded markets would be offered in advanced technology high added value products. Mr. McGrath said he was seeking contacts with European companies, and discussions were already well advanced with a U.S. company to manufacture a

Strike threat recedes

BY OUR MIDLANDS CORRESPONDENT

HOPE OF a settlement were rising last night as the threat of a one-day strike by BL Cars' toolmakers appeared to recede.

Mr. Roy Fraser's unofficial committee, which claims support from 3,600 toolmakers, decided over the weekend again to defer a call for industrial action.

The toolmakers' leaders will hold talks over the next few days with unofficial leaders of 11,000 craft workers within BL to see whether common ground can be found in pursuit of a demand for improved differentials for skilled men.

Mr. Fraser said that, even if support was not offered by other craftsmen, the toolmakers would give a warning to the company that strike action would be recommended unless talks with management were convened within seven days.

Management has resolutely refused to hold direct talks with unofficial bodies and it seems unlikely that leaders of the Amalgamated Union of Engineering Workers would clear the way for such a gathering.

the U.S. and Europe.

The aggressive stance adopted by BL is bound to create resentment among UK components companies who consider State funds should not be used to bolster activities in an area where capacity is already available and success is being achieved in world markets.

Feature, Page 27

The move by toolmakers to link with the craft workers, who received only limited support for a call for a one-day strike earlier this year, can be interpreted as one of weakness. There must now be uncertainty among the toolmakers' leaders about support for a strike call.

Craft workers have made some progress over the past 12 months under central negotiations to improve the position of skilled men. Sympathy appears to be waning for the nine-week unofficial strike by 32 toolmakers at SU Fuel Systems, Birmingham, who are demanding wages comparable with those of other skilled men in the area.

Mr. George Regan, leader of the toolmakers said last night that members were likely to continue the strike.

But there can be no mistaking the mounting resentment that they are fighting a lone battle. Other engineering union workers at SU Fuel Systems, where production has been surprisingly consistent despite the dispute, have shown few signs of sympathy for their action.

Electronic news system stopped by BBC unions

BY ARTHUR SANDLES

A REFUSAL by broadcasting to discuss a permanent Electronic News Gathering (ENG) agreement with the BBC means that the corporation's plans to introduce this new technology into its television news service this week have been put off indefinitely.

The ENG electronic system has revolutionised news and current affairs broadcasting throughout the world over the past two years, with video tape effectively replacing film in many cases. The BBC planned to replace its near 100 per cent film system with 60 per cent ENG taped services and 40 per cent film in a three-year, £1m modernisation programme.

Using ENG techniques, a two-man crew can take pictures, record sound and transmit its material back to a home base without much of the complicated ancillary equipment and facilities needed for film. Quality has so improved in recent months as

to be claimed superior to film in some circumstances.

It is nearly three years since the BBC decided to go ahead with ENG and it spent two years negotiating a one-year experimental period with the union. That expires on Tuesday and in the absence of further agreement all BBC ENG equipment will have to be put into storage.

"The experimental year has demonstrated, incontrovertibly, the efficiency and effectiveness of ENG as a method of enhancing news coverage," said Mr. Alan Protheroe, Editor of BBC TV News. Lack of its use now was "a very big disappointment," he said.

"We have been in the first division since our inception. Not to have ENG is to place us at a major disadvantage which is unacceptable and inconceivable," Mr. Protheroe said.

News Analysis, Page 4

Wholesale price index to reflect £ strength

BY MICHAEL BLANDIN

THE STRENGTH of the pound in the foreign exchange markets has been an important factor in holding down the rate of inflation in the UK, and the latest trends will be illustrated today with the publication of the September wholesale price index figures.

The past set of figures showed that during August the cost of industry's raw materials, helped by the pound, fell for the second month running and was still 1 per cent lower than a year earlier.

In spite of the impact of higher pay rises last year, this has helped to keep down the increase in the prices charged by industry at the factory gate—output prices. In August, prices charged for manufactured goods rose by less than 1 per cent.

The gilt-edged market will also be looking closely at the banking and financial statistics, due to be published today, for pointers to the money supply growth during the month to mid-September.

In the previous month, the distortions in the money markets which had influenced earlier figures were largely ironed out. As a result, the banking system recorded a large drop in its eligible liabilities—their main deposit funds—reflected in a sharp fall in the sterling money stock on the wider definition published later.

The banks, which had previously been under pressure, were able to bring themselves back within the ceilings imposed by the official control on their growth. The September banking month is the second to count towards any penalties that may be imposed

on the banks under the corset. At the same time, figures are due to be published of the central Government's financial transactions.

Weather

UK TODAY

SHOWERS, with heavier rain in the north-west and south-east. London, E. England, E. Anglia, Cent. S. England, E. Midlands, E. England, Channel Islands. Sunny intervals. Showers, Max. 20C (68F).

W. Midlands, Cent. N. N.E. England, Borders, Edinburgh, Dundee, Aberdeen. Sunny periods. Showers, Max. 16C (61F).

S.W. England, Wales, N.W. England, Lake District, Isle of Man, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth. Sunny spells, scattered showers. Max. 14C (57F).

N.E. N.W. Scotland, Ulster. Showers and sunny intervals. Max. 14C (57F).

Outlook: Sunny intervals and some showers, becoming mainly dry and colder in the north later.

BUSINESS CENTRES		Y-day	Today	Y-day	Today
Amman	18	54	Madrid	23	73
Algeria	24	72	Paris	23	73
Bahia	22	68	Barcelona	23	73
Bombay	21	70	Buenos Aires	23	73
Bombay	21	70	Calcutta	23	73
Bombay	21	70	Colon	23	73
Bombay	21	70	Hong Kong	23	73
Bombay	21	70	London	23	73
Bombay	21	70	Lyons	23	73
Bombay	21	70	Manila	23	73
Bombay	21	70	Mexico	23	73
Bombay	21	70	Montreal	23	73
Bombay	21	70	New York	23	73
Bombay	21	70	Osaka	23	73
Bombay	21	70	San Francisco	23	73
Bombay	21	70	Seoul	23	73
Bombay	21	70	Singapore	23	73
Bombay	21	70	Tokyo	23	73
Bombay	21	70	Yokohama	23	73

HOLIDAY RESORTS		Y-day	Today	Y-day	Today
Algeria	21	70	Barcelona	23	73
Algeria	21	70	Buenos Aires	23	73
Algeria	21	70	Calcutta	23	73
Algeria	21	70	Colon	23	73
Algeria	21	70	Hong Kong	23	73
Algeria	21	70	London	23	73
Algeria	21	70	Lyons	23	73
Algeria	21	70	Manila	23	73
Algeria	21	70	Mexico	23	73
Algeria	21	70	Montreal	23	73
Algeria	21	70	New York	23	73
Algeria	21	70	Osaka	23	73
Algeria	21	70	San Francisco	23	73
Algeria	21	70	Seoul	23	73
Algeria	21	70	Singapore	23	73
Algeria	21	70	Tokyo	23	73
Algeria	21	70	Yokohama	23	73

Government scheme for £25m power station coal subsidy

BY JOHN LLOYD

PLANS TO subsidise the sale of coal to power stations, at a cost to the Government of around £25m, have been agreed in principle between the Central Electricity Generating Board and the National Coal Board. They will probably be announced this week.

The Coal Board welcomes the arrangements as a short-term solution to the problem of finding adequate markets for its coal. However, it is thought that the plans will involve substantial and expensive side effects, and that the Treasury has delayed its announcement because of concern at the cost.

It is felt that the Electricity Board has driven a hard bargain in agreeing to buy more coal. The plans involve buying this around 3m tonnes more coal this coming winter than the Board would normally burn, bringing the probable total this year to around 72m tonnes.

The Board has planned to take most or all of this extra tonnage under an agreement reached earlier in the year with the Coal Board, but would have kept it in stock and lowered its coal order in 1979/80.

Both the Government and the Coal Board felt it essential to avoid this. The massive investment in coal mining since the

1974 Plan for Coal now running at nearly £4bn and the increase in production from the incentive bonus scheme begun early this year would both require steadily expanding markets.

The Coal Board has already watched its second largest market—the steel industry—decline sharply from over 17m tonnes a year to 14m tonnes.

At the same time, the EEC Council of Ministers has so far failed to agree on attempts to enlarge the export market in Europe, with the aid of a subsidy from the European Commission to make UK coal competitive with Polish, South African and Australian imports.

Gloomy outlook for shipyards

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BY 1980-81, the world's shipyards will be working at less than half the level of output in the boom years of 1975-76, according to the latest forecast of the Association of West European Shipbuilders.

The association's review puts the global requirement for merchant ships at a mere 8m gross registered tons in 1981.

Adjusted for the differing labour content of the various ship types this 1981 figure represents 10m compensated gross registered tons (CGRT), compared with the 1976 output of 34m GRT or 21m CGRT of shipping.

This latest projection represents a 3 per cent reduction on the forecast requirement for the world fleet since the association's last review in 1977.

The figures are of great importance because they have in the past provided the base for shipbuilding policy within the EEC and, to some extent, for discussions within the OECD.

They will be considered, along with other forecasts from Japan and West Germany, by an OECD shipbuilding working party in early November. This meeting should have taken place this week but has been postponed at Japanese request to allow that

country's shipbuilding restructuring measures to make further progress.

The association's forecasting technique involves taking standard OECD projections of trade growth to determine the demand for shipping.

On this base the association does not see the shipbuilding market returning to the level of 1975-76 even by 1985 when the fleet's requirement is put at 18m CGRT or 23m GRT.

According to the analysis, the non-Communist world will require an oil tanker fleet of 330m dwt by 1985, compared with an

actual fleet of 353.5m dwt at the end of 1977. Because of accelerated scrapping the association expects the oil-carrying fleet to decline by 60m dwt in the review period giving a building requirement of 55m dwt. This will mainly involve orders for smaller tankers under 70,000 dwt the review says.

In dry cargo trades the association foresees a building requirement of 37m dwt, allowing for scrapping of 24m dwt. For general cargo ships, including specialised vessels, the association sees a need for 32m dwt of new ships up to 1985.

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